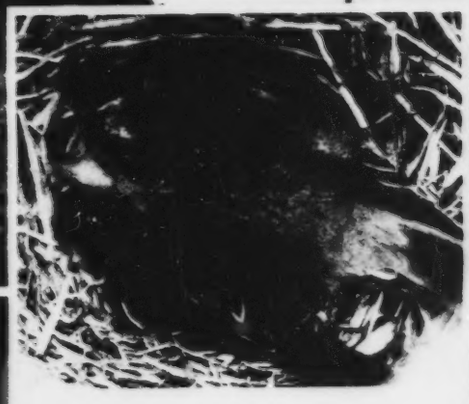
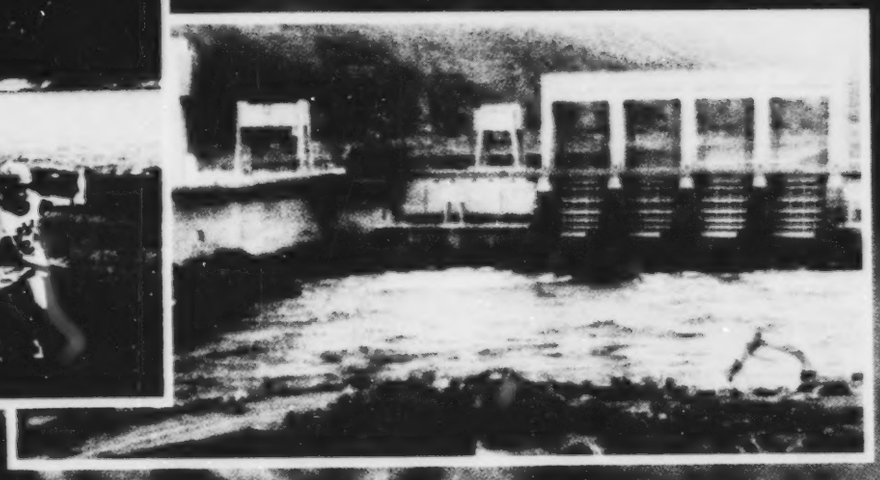
SUMMER 1999 FREE

COLUMBIA BASIN TRUST PROGRAMS

Annual Report *1998/99*





COLUMBIA BASIN TRUST

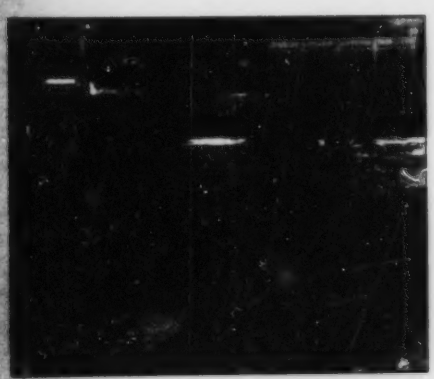
TABLE OF CONTENTS

Touching Base 3
The Trust's corporate overview

35 Years Ago 4
A history of the Columbia Basin Trust and the Columbia River Treaty

The Mandate 5
The principles guiding the Trust's spending program

The Board 6
Meet the people from the region guiding the Trust's decision-making process



Public Advisory Committee 8
Basin residents who keep the trust in touch with the communities

Meet the CEO 10
Don Johnston is the Trust's new Chief Executive Officer

Getting Involved 11
How to participate in Investment and Spending Programs

The Basin Community Initiatives and Affected Areas Program 12
Returning downstream benefits to communities

Seniors Can Stay in Valley 16
Trust helps build seniors' housing

Youth link 17
A dozen youth will travel the region learning about social, economic, and environmental issues

The Keenleyside Powerplant Project 18
Creating employment in the region and providing a long-term source of income for the Trust

Environmental Approval 19
The key to long-term success

Community Benefits 20
Injecting $50 million in wages 85% local hire

Parks Project 21
Preparing for increased use

Fertilizing the Food Chain 22
Revitalizing Kokanee in Arrow Lakes

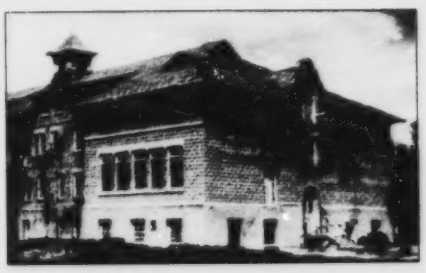
Future Projects 23
Harnessing Brilliant and Waneta

Sharing Our Home 24
The Columbia Basin Fish and Wildlife Compensation Program

Royal British Columbia Museum 26
23 projects preserve the Basin's human and natural history

Kootenay Association of Science and Technology 28
Helping to build the Basin's technology industry

Economic Development 29
TASK, Tourism Rockies, Kootenay WoodVine, Nakusp & Area Development Board



Golden Peaks Resort, Evans Forest Products 30
Trust invests in local industry

Brilliant School 31

Small Business 33
$11 million injected into companies such as Kootenay Panel Products and Heatwave

Cultural Alliance 36
The Trust helps performers, artists, and artisans reach for the stars

Financial Highlights 38
Financial results from the Trust's operations, its financial position, and other selected data

CONTACTS

COLUMBIA BASIN TRUST

Phone: 1-800-505-8998
Fax: 1-250-265-2246
E-mail: cbt@cbt.org
Mailing Address: 102 Nelson Avenue North, P.O. Box 220, Nakusp, B.C. V0G 1R0

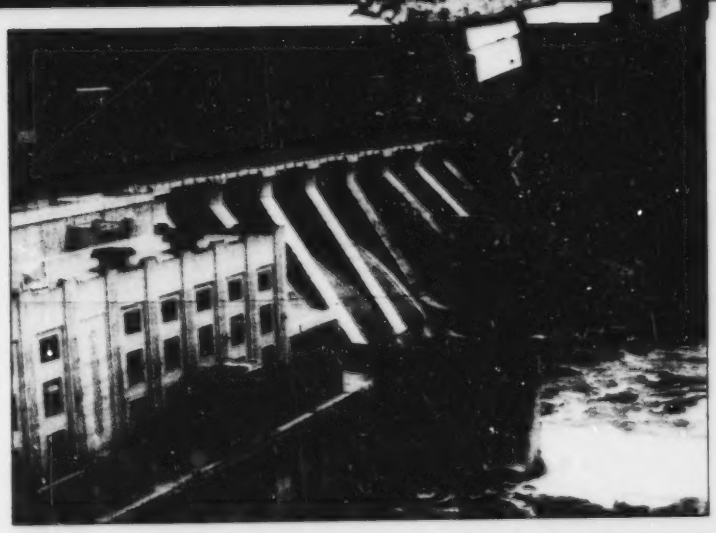
Cover photo, badger: Tim McAllister

AVAILABLE FREE: CALL THE TRUST

COLUMBIA BASIN TRUST ANNUAL REPORT 1998/99 – Financial Review (32-page audited financial statements)

VIDEOS
(1) COLUMBIA TREATY HISTORY – shows the effects of dam construction on the communities of the Basin
(2) FROM TREATY TO TRUST – Describes the formation of the Trust

WEBSITE NOTE: The existing Columbia Basin Trust web site is being updated. The Trust will launch a new site by the end of the year.



LEGISLATIVE LIBRARY OF BRITISH COLUMBIA
3 3298 00231 6645

100-07072/

Touching base

The past year has been one of achievement and transition for the Trust. We have just completed our first full year of investment and spending program delivery and can point with pride to the millions of dollars which have been put directly into the hands of communities, individuals, organizations and businesses in the Basin.

The programs we have developed follow the Columbia Basin Management Plan and have built upon the original concept of the Trust to empower the people of the Basin. We believe in principle that the people who live in a community know best how to identify and address the needs of that community. The money is being used to enable people to improve the quality of life in their area. The map on the back page of this report shows the full range of projects and their distribution around the region.

This first year of program delivery has also reinforced the importance of building partnerships in the community. Our partners provide the expertise and organizational structure which make it possible to develop and deliver programs more quickly than the Trust could ever accomplish on its own.

re are more great ideas than money, come from investments will grow and to provide funding for every goal in ing many more of these great ideas.

For example, in our investment program we have partnered with the Community Futures Development Corporations who work with community Boards to help direct investment in small businesses. Trust capital is deposited in Credit Unions that are operated by members from their communities.

The same is true in the Trust's spending programs. For example, the Trust will put $12.9 million over ten years into Basin communities and areas affected by dam construction. This funding is for projects which are supported by the people living in these communities. It is being delivered through our partnership with the Regional Districts. Arts and Culture funding is being delivered through a newly developed community coalition of arts organizations called the Columbia Kootenay Cultural Alliance. The Trail Family and Individual Resource Society is helping us deliver an affordable housing program Basin-wide.

In this report you will hear the voices of some of the people in Basin communities who have participated in, benefited from, or helped to deliver programs with the Trust. They talk about how Trust funding has assisted them in achieving some of their goals. We also recognize and are grateful for their willingness to grow with us as we have worked to put programs on the ground, and appreciate their ideas on how we can make program delivery better in the future.

We are constantly balancing the need to effectively implement the broad vision of the Trust with the limited financial and staff resources that we have available to undertake this enormous task. The Trust has clear direction from the people of the Basin that we must protect the capital, and invest it to earn income. In order to ensure that the Trust is here for the long term, Basin residents have directed that we can only spend the income earned from investments.

Trust investment managers must balance the unique investment environment inside the Basin with the need to manage risk and return on a basis comparable with the wider investment community. They also must take into account the need to generate additional social and environmental benefits through our investment activity.

In the spending program we balance the limited monies available (currently about $3.75 million per year) relative to the great demand from Basin communities for project funding. Currently, there are more great ideas than money, but over time income from investments will grow and we will be able to provide funding for every goal in the Plan, including many more of these great ideas.

We would like to thank the many people who have come forward to help the Trust. These people have volunteered to sit on program-related public steering committees to guide our thinking about how best to ensure Trust monies are delivered through transparent processes. In some cases steering committee members have also been directly involved in project selection.

The Trust has also benefited from the participation of its ongoing public Advisory Committee. We would like to express our appreciation to all the people who participated in these committees, for sharing the vision of the Trust and working with us to make that vision a reality for others.

Work to date has also shown that we need to continue to better structure the Trust as a corporation. The Board is focusing its energies on developing the essential policy and governance framework that must be put in place as the base on which this fledgling organization will continue to grow.

We are pleased that in February Don Johnston joined the Trust as its new CEO. He brings experience in leadership, organizational development, and program implementation. He has worked at a senior level for national and international organizations like the Vancouver Foundation, Canada World Youth and Canadian Physicians for Aid and Relief (Africa). Don grew up in the Basin and he and his family are looking forward to returning to this part of the province. Don will be working with the dedicated Board and staff to achieve our corporate goals at the same time as we continue to find ways to expedite program delivery.

Our commitment to consult with the residents of the Basin who are our Trustees remains strong. Program delivery is now bringing us in closer contact with the community at every level. Starting in the fall, Trust staff and Directors will be involved in a special outreach program to meet with people in their communities to talk about the Trust and explain its programs. About 15,000 copies of this annual report will be delivered to our mailing list and to community outlets Basin-wide.

We have just started work on an experiential learning program for youth that is focused on increasing their understanding of the Basin as a whole. Over the next few months, we will be upgrading our web site to include more information about the Trust in an interactive environment. Videos about the history of dam construction and the development of the Trust continue to be available free of charge.

We look forward to the next Symposium where we can bring the results of investment activities and spending programs to our Trustees to ask for your assistance in monitoring and evaluating results and your ideas on future directions for the Trust.

Please take the time to complete the survey included with this report. Make sure your name is on our mailing list. Staff at the Trust office are available to respond to your questions or provide more information on Trust programs.

Call 1-800-505-8998.

LEGISLATIVE LIBRARY
VICTORIA, BC V8V 1X4

History:

35 years ago

Three decades ago, the water started rising behind the Keenleyside, Duncan, and Mica dams in Canada, and the Libby dam in the U.S., submerging centuries of history and displacing 2,300 people along the Arrow Lakes, and in the Kootenay, Duncan, and Kinbasket regions.

Church, built in 1914, was saved from the flooding of the Libby Reservoir at Kootenay in 1972.

Giant reservoirs rose behind the dams. While they provided flood control in the region, their vast potential energy waited to fuel the turbines to generate power for a huge hydroelectric system.

The three reservoirs built in Canada were created as part of the Columbia River Treaty, signed in 1964 between Canada and the United States.

Before the Treaty was ratified however, there had been a conspicuous lack of consultation with the residents who were to be displaced, even though they were the ones who stood to lose the most from the project.

The dams would help control flooding during fast freshets, and some of the power would be used locally. But most of the electricity was being routed to major urban centres outside the region, with profits creating revenue for the Province.

The people of the Basin came together in the early 1990s to press the Province for recognition of the injustice of this situation. Local governments in the Basin coordinated their efforts at the regional district and tribal council level under the Columbia River Treaty Committee, which first met in 1992. The Committee, in partnership with regional MLAs, negotiated with the Province.

They had two objectives:

- The allocation to the region of funds representing a fair share of the ongoing downstream benefits earned under the Treaty, to be managed by the Trust.
- The creation of a Trust governed by a board of Basin residents.

On both counts the negotiations were successful.

In 1995, the Columbia Basin Trust Act was created to return some downstream benefits to the region.

The Trust's mandate is to bring social, economic and environmental benefits to the region most affected by dam construction.

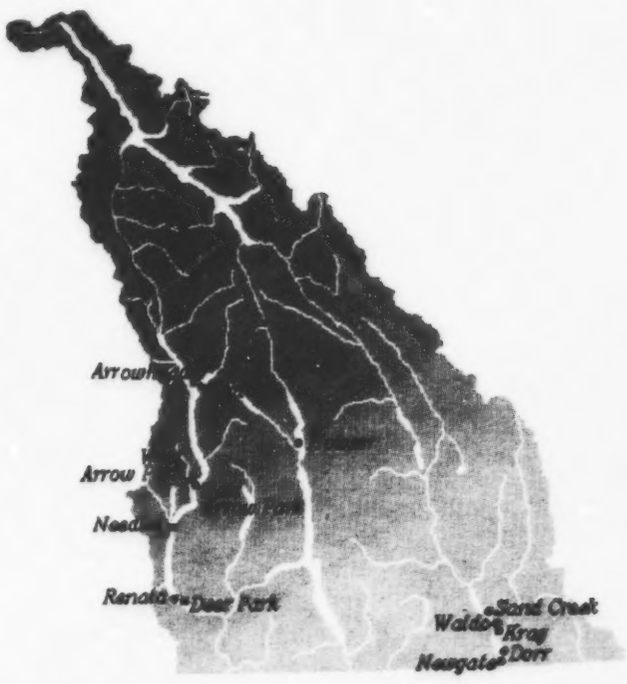
Video Available

(free of charge):

Columbia Treaty History shows the effect of dam construction on the communities of the Basin.

Call 1-800-505-8998.

LOST COMMUNITIES



HISTORY AND MANDATE

Columbia Basin Trust Board of Directors, May 1999.

TRUST MANDATE

The Trust manages the region's share of downstream benefits from the Columbia River Treaty to bring social, economic and environmental benefits to the region most affected by dam construction.

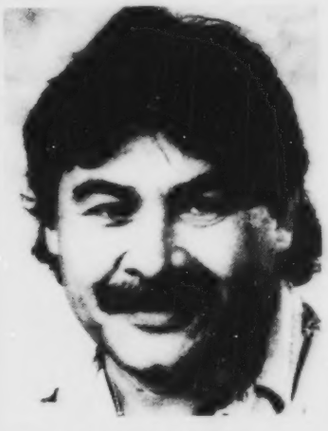
1992-95	The people of the Basin supported by regional government formed the Columbia River Treaty Committee to work together with the Province to create the Trust.
July 1995	Columbia Basin Trust Act receives unanimous support from all political parties in the British Columbia legislature. The Trust is governed by a Board made up of Basin residents.
May 1996	Columbia Basin Trust office established in Nakusp, one of the communities directly affected by Treaty dam construction.
July 1997	The Columbia Basin Management Plan required by the Act, and created in consultation with Basin residents is adopted by the Board of Directors.
November 1997	Investment and Spending Programs are created to deliver benefits to Basin residents according to the Plan.

Photo: Columbia River Valley

BOARD OF DIRECTORS

Josh Smienk, Chair Balfour

It has been exciting to be a part of the Trust, to watch it grow from concept to the delivering of benefits. Every day is a new and exciting challenge. Working with people and getting to know the Basin is one of the most valuable opportunities the Trust brings to me as Chair.



Garry Merkel, Vice-Chair Kimberley

My twenty-seven years as a forester, as well as extensive experience on various boards and community development projects, have provided me with the tools needed to deal with the challenges faced by the Trust. I have been honoured to be a part of building the Trust as it represents a new way of empowering people to shape their future.

Rosemarie Johnson, Nakusp

As a long-time resident of Nakusp and founding member of the Trust, I am sincerely committed to helping the people of our region, especially those who have been most negatively affected by the building of the dams. It is imperative that the people of the region see some return for the resources they have lost for supplying electricity to the rest of the province.

Keith McLean, Cranbrook

Following in the footsteps of the previous director's accomplishments, I am excited to bring maturity, lifetime business experience, and the wisdom gained from family life into assisting the people of the Basin in their desire to improve the conditions of their lives.

Greg Deck, Radium Hot Springs

I chose to be part of the Trust to try to make some important decisions for the Basin closer to home. In return, I bring to the Board experience in both public and private endeavours. The Trust board has a mixture of skills and personal history that makes it as strong as any on which I have served.

Rick Hardie, Fruitvale

I enjoy being part of an organization that is doing something positive for the Basin residents by learning from the past, and helping to build a Basin culture for the future. As a locally elected official, I bring to the table a sense of what is pertinent to the residents and a forum from which to discuss these issues.

Loni Parker, Revelstoke

It is a great privilege to have ben appointed to the board of the CBT. I have been provided with an exciting, unique opportunity to be part of shaping the future of the Columbia River Basin. As an elected representative and small business owner, I have an understanding of the land and the people of the Basin. We have the opportunity to be heard and to be a part of the decision making.

Fred Parker, Castlegar

Fred has been a member of our Board of Directors since 1997, and is a member of the Investment Committee.

Sandy Korman, Castlegar

Being a Trust Director gives me an exciting and challenging opportunity to be involved with decisions that will help strengthen our communities for years to come. I have an interest and background in education, the arts and provincial politics as well as a strong commitment to my regional community. I am honoured to participate and will do my best to listen and assist the people of the Basin.

Ann Edwards, Moyie

The opportunity to involve Basin citizens in deciding their future and in making the Basin work as an entity has driven all my work on the Trust Board. People throughout the Basin are supremely able to do this. The task challenges all of us! Help us make the Trust a real community success.

Stan Lim, Golden

I have always felt strongly about developing a common culture in the Basin with regard to the Columia River Treaty impacts. I bring three decades of public involvement to the Trust, a pro-active organization working towards assisting all the people in the Basin.

Jo Brown, Winlaw

I was attracted to being part of building a new organization that will be a legacy for our grandchildren and perhaps even their grandchildren. I think it is important to keep the work of the Trust grounded at the community level and in touch with the perspectives of ordinary working class people.

Jeannette Townsend, Valemount

As a founding member of the Trust, I have had the privilege of helping the people of this region work toward the dream that they could benefit from construction of the Treaty dams. The integrity of their vision is now being realized as the Trust brings programs which improve communities and bring people together Basin-wide.

Dieter Bogs, Trail

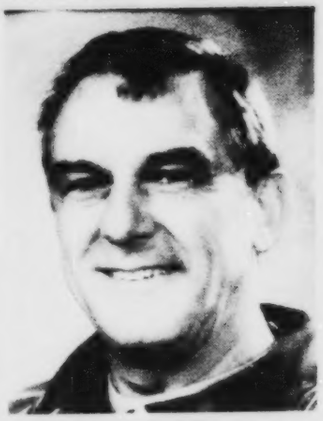
I enjoy being involved in the decision-making process of the Trust as it affects the Basin residents. As a founding member of the Columbia River Treaty Committee and now as a director of the Trust, I have a strong understanding of the people and resources in the region, and I like to use a Basin-wide approach in my decision-making.

Dave Bjarnason, Cranbrook

Working with the Trust is an opportunity to assist in creating long-term, family-supporting employment. My experience with the Trust has at times been frustrating, demanding and hard work, but overall it has been both exciting and fulfilling. I believe the expertise I bring to the Board, taken in combination with that of the other directors, will move the Trust ahead in a balanced manner.

Joe Pierre, Creston

As a Ktunaxa, I have a strong desire and commitment to experience and learn more about the political, economic and cultural mosaic of the Basin, which spans our traditional territory. I am excited and honoured to witness the present Treaty negotiations, and my dream is to continue building relationships that will collectively enhance a unique Columbia Basin culture as well as fulfill the objectives of the Trust.



Bill Kruisselbrink, Valemount

Having seen firsthand the price paid for the destruction of land and the loss of jobs caused by the flooding behind the dams, I see working with the Trust as an opportunity to mitigate these circumstances. It has been, and continues to be, a rewarding learning experience to work together to improve conditions for us all.

John Bergenske, Skookumchuck

I am interested in working with Basin residents to assure that the protection of our diverse, natural environment is reflected in the Trust's investment and spending programs. I have a strong sense of responsibility for maintaining a healthy environment as the basis for vibrant communities.

Bill Green, Kimberley

Kristen Carlson, Castlegar

Public Advisory Committee

Silvio Gislimberti, Valemount

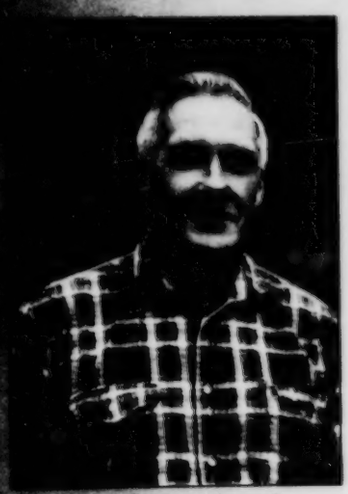
Laurie Pettijohn, Trail, Vice-Chair

Paul W. Hambruch, Golden, Chair

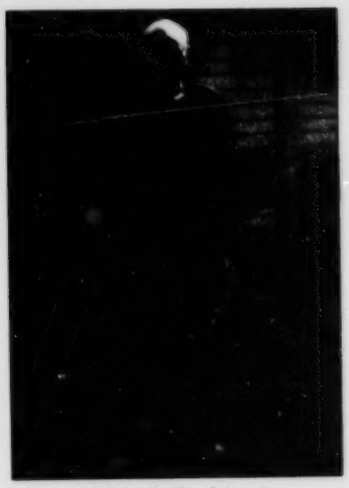
Doug Weir, Revelstoke

Eleanor Spangler, Winlaw

Lloyd Sharpe, Elko



Robert Murray, Edgewood



Dick Mulholland, Vernic

Wendy Hurst, Thrums

Glenys Snow Dymond, Radium Hot Springs

Thank You For Your Dedication to the Trust!

Members of our public Advisory Committee have been with the Trust from the beginning. They have provided valuable input into the consultation process that led to the development and approval of the Columbia Basin Management Plan, and helped us to take our first steps in program delivery. They keep the Trust informed of issues and opportunities in the community, and help to ensure that we stay in close contact with the people of the Basin as we move forward. The role of the committee is set out in the Columbia Basin Trust Act.

An interview with the CEO
Don Johnston

Don Johnston is the new CEO of the Columbia Basin Trust, an organization created four years ago to manage the region's share of downstream benefits from the Columbia River Treaty.

"I know how hard the people of the Basin, and their local and provincial government representatives have worked to ensure that a share of benefits be brought back to the communities of the Basin to improve conditions here," says Johnston.

"The Trust provides an incredible opportunity to deliver these programs in a way that involves the people who are receiving the benefits. We are teaching ourselves a new model of shared leadership and community engagement according to the Columbia Basin Management Plan. From the beginning, the process which brought the Trust and the Plan to fruition was one of the most thorough and well-thought-out community consultation processes I've ever seen."

Johnston is dedicated to helping the organization determine how we can take this exceptional idea and make it work in ways that actually improve conditions for the people of the Basin. "The question is, 'How can we take this dream and make it a reality?'"

Public awareness and participation remain crucial to planning for the Trust. "Founded on the principle of public inclusion, the Trust cannot conduct its work behind the scenes," Johnston says. "The Trust has put a lot of emphasis on communications and process in terms of making sure that people in the Basin have been involved in creating what the Trust is and where it is going. We continue to deliver a broad spectrum of benefits throughout the many communities in the Basin. People must continue to be informed of our efforts on their behalf. One of our challenges is to try to get out in the community more to let people know what we are doing, and let them tell us how we are doing."

Most organizations with an endowment give the money to a financial manager and use the income to provide benefits. The Trust is different. The agency invests in revenue-generating power projects such as the powerplant project at Keenleyside, and loans out money to earn returns, as with the Community Futures lending partnership. Money earned is spent to strengthen Basin communities.

"The Trust's goal is to use the money we manage twice," he says. "First through investing the capital in viable business opportunities inside the Basin to create jobs and economic development opportunities while earning income for the Trust. Second, the income earned is used to fund our spending programs which put real dollars directly into the hands of people in the community to improve social, economic and environmental conditions."

Johnston grew up in Nelson, graduating from L.V. Rogers High School in 1967. He spent three years studying sociology at the University of British Columbia, then began a career in community service both at home and overseas. He came to the Trust from six years as a program director for the Vancouver Foundation. His experience includes work with Canada World Youth, and as director of African programs for the Canadian Physicians for Aid and Relief. Johnston spent a year in Ethiopia, leaving the country fourteen hours before rebels took the airport.

Johnston recently received a Master of Arts degree in leadership and training from Royal Roads University in Victoria. He will live in Nakusp, where the Trust is headquartered, with his wife and daughter.

Johnston sees his new post as a culmination of the work that took him away from Nelson and sent him around the world. "For me this is a real opportunity to take a lifetime of experience, bring those skills back to the region I love, and to be involved with an organization that has the potential to make a huge contribution to the community."

QUESTIONS and ANSWERS

HOW TO PARTICIPATE IN INVESTMENT AND SPENDING PROGRAMS

How to participate in Investment and Spending Programs

1) What is the Trust here to do?

The Trust is here to bring social, economic and environmental benefits to the people of the Basin as set out in the Columbia Basin Management Plan. The Trust does this by investing the money that is being returned to the Basin as a part of downstream benefits from the Columbia River Treaty. Income earned from these investments is spent on activities that address the goals and objectives set out in the Columbia Basin Management Plan.

2) What is the Columbia Basin Management Plan?

The Columbia Basin Management Plan (sometimes called The Plan) was prepared after many meetings with people who live in the region. It is a 50-year plan that explains how we will bring benefits to people in the Basin, and talks about what we should be working on first. It also describes the kind of organization the Trust wants to be, and how we must stay in touch with the people of the Basin and help them be part of Trust decision-making. You can get a free copy of The Plan by calling the Trust office at 1-800-505-8998, or look at our web site, www.cbt.org

INVESTMENT

3) How does the Trust Investment Program Work?

Over the next ten years the Trust will have a total of $295 million to invest. $250 million is earmarked for power project investments. The $45 million regional allocation can be invested in any viable business opportunities preferably inside the Basin.

All of the Trust's money is currently held in banks and credit unions in the Basin. This increases the ability of these institutions to lend money to the people of the region.

The Trust is constantly on the lookout for viable business investment opportunities. We want investment activity to support medium and small businesses and help them expand. The investment portfolio includes business loans, real estate, income securities and power projects.

4) How much money do the investments earn for the Trust?

The investment program is designed so that the cash return will be at least 5 per cent annually. The Trust's investment holdings now generate about $3.75 million annually for the spending program. In ten years these holdings are expected to generate an income of up to $15 million per year.

5) How can I put forward an investment idea?

Once you have developed a solid business plan you should call the Trust offices at 1-800-505-8998, and ask to speak to an Investment Coordinator. The Coordinator will review your proposal, recommend Trust investment programs which may best suit your idea, and guide any further discussions with the Trust. The Investment Coordinator can also provide an investment program Request for Proposals package and a copy of the Columbia Basin Management Plan.

6) How does the Trust decide which businesses to invest in?

The Trust uses the best of private sector practices to determine the financial viability of proposed investment opportunities. In addition to earning income for the Trust, all investments must meet the requirements of the Columbia Basin Management Plan and bring social, economic and environmental benefits to the region.

SPENDING

7) How much money does the Trust have to spend?

The Trust has about $3.75 million per year to spend. Over time this amount will grow.

8) How does the Trust decide which activities to support?

For the Trust, thinking about how to spend money in the Basin is like a family thinking about how it should budget its money. There are many things to do, but only a certain amount of money to pay for things.

$3.75 million sounds like a lot of money to spend. However, The Plan gives the Trust a large number of goals to work on over time. The Plan also says we need to spend the money so that the 158,000 people who live in the Basin can benefit. Like a family, we need to set priorities.

Here is what we do:

a. We look at The Plan to see what needs to be done. We try and provide some social, economic and environmental benefits each year, and we look for ways to spend money on programs that will bring benefits in more than one area.
b. Based on the Plan, for the next three years we will spend money to bring benefits in these priority areas:
   - Social
   - Environmental
   - Youth
   - Economic
   - Arts, Culture and Heritage
   - Education
   - Community priorities Basin-wide, with special funding for areas affected by dam construction
   - Gathering and sharing information about the state of the Basin
   - Working with the U.S. to look at water management problems and the effects of dam operation on fish, wildlife, recreation, tourism, culture and heritage.

Over the next five years the Trust will have provided money for programs and projects for every goal in the Plan.

9) How does the Trust build these spending programs?

a. Trust Directors and staff work with people from the community who have knowledge and experience in each of the areas who will sit on a program Steering Committee. Together they look closely at one of the priority areas listed above to see what most needs to be done. Then they develop a program that makes the best use of the amount of money available, and can best be used to bring the most benefits.
b. All aspects of program development from setting priorities through to defining decision-making processes are developed based on resident participation.
c. The Trust partners with other organizations or community groups that have already worked in the priority area and can help to deliver the program.
d. Make sure people Basin-wide know about the program, and how much funding is available. Tell people how to apply through the program.
e. Watch to make sure all the projects meet special program requirements, and the requirements of the Plan.
f. Make sure funded projects are carried out as planned.
g. Gather information on what worked and what didn't work, to help make future programs better.
h. Report back to the people of the basin on how Trust programs have improved the quality of life for people and their communities, and met the goals of the Columbia Basin Management Plan.

10) I've got a great project idea! Why can't I just apply for funding from the Trust? Why do I have to wait for a program?

The Trust is committed to involving the people of Basin in decision-making about how funding can best be provided to communities in a way that maximizes benefits. All project ideas are evaluated by people from around the Basin who we have asked to assist us in the decision-making process.

People all across the Basin have good ideas for great projects that need money.

Even when we set priorities and develop programs, there are still many more requests for money than there is funding for projects. For example, in 1998 the Trust set aside $500,000 for community-based environmental projects and got over $3.5 million worth of project requests.

This is why any projects which do receive funding must be sent to the Trust through one of its programs, and must meet the special requirements of that program. Projects must also meet the broader requirements of the Columbia Basin Management Plan.

11) How can I be sure I will hear about programs so I can apply for funding?

a. Put your name on the Trust's mailing list so we can send you information about the kinds of programs we are working on. Call toll-free 1-800-505-8998. Trust staff are also available to answer your questions.
b. Check your local newspaper. Opportunities for program funding will be advertised Basin-wide.
c. Look at our web site www.cbt.org. E-mail us with your questions.
d. Community organizations will be invited to help plan and take part in programs and will get information about how to apply for funding. Stay in touch with your local community organization.
e. Community advisory groups are often set up to give their ideas about how programs should be run and what projects should be chosen for funding. If you are interested in providing information to a program Steering Committee, call the Trust and we'll put you in touch with program staff and add your name to a contact list.

SPENDING PROGRAM: BASIN COMMUNITY INITIATIVES & AFFECTED AREAS PROGRAM

Community initiatives

Projects selected by communities for funding under this Program before May 1999

REGIONAL DISTRICT OF COLUMBIA/SHUSWAP

East Kootenay

Advocacy for water levels at Koocanusa ($1,000)

Baynes Lake Community Hall

Columbia Valley Family Centre ($38,977.05)

Elk Valley Family Society ($38,977.05)

Elko Valley history book ($3,500)

Entrance signs to the City of Fernie ($10,000)

Extension to litter program in Fernie ($7,382)

Specialized training/learning centre for Fernie public library ($5,000)

Sullivan Mine Interpretive Centre ($31,181.64)

Wasa and District Lions Club Scholarship ($7,795.41)

Golden

Financial support for Abbeyfield House, St. Paul's, Golden (a ten-unit residential complex designed for healthy elderly) ($50,000)

Financial support toward the 1999 Swiss Guides Festival, celebrating 100 years of history ($5,000)

Grooming of trails in the area for safe snowmobile passage ($10,000)

Purchase of a score clock / shot clocks for the Mount Seven Recreational Complex ($8,000)

Three parenting information programs: baby talk, toddler talk, adolescent talk ($1,530)

City of Revelstoke

Bear Awareness Program ($12,500)

Consultative process for environmental projects ($3,000)

Consultative process for social projects ($2,500)

Selkirk Saddle Club feasibility study ($2,500)

Tourism development coordinator ($35,000)

Tourism information and image-enhancement projects ($20,000)

Utopia Teen Centre interim operations ($6,000)

Youth resources feasibility study ($20,000)

REGIONAL DISTRICT OF KOOTENAY BOUNDARY

Greater Trail

Establishment of a Prevent Alcohol Related Trauma in Youth program Greater Trail Community Health Council ($5,000)

Expansion to the Beaver Valley Curling Club ($28,200)

Installation of a playground for Trail and District Daycare Society ($10,000)

Installation of a playground at Beaver Creek park by the Kiwanis Club of Trail ($10,000)

Installation of a playground for Rossland Childcare Society ($10,000)

Publication of a "Best Years" by Trail and District Seniors ($5,000)

Publication of the Trail and Area Journal of Local History ($8,800)

Repairs and improvements to the Beaver Valley Nursery School ($8,000)

REGIONAL DISTRICT CENTRAL KOOTENAY

Burton

Beach gazebo ($5,000)

Playground equipment ($8,000)

Seniors' clubhouse ($10,000)

Valemount

Canoe Mountain tram feasibility study ($10,000)

Community forest feasibility study ($21,000)

Tourism and outdoor recreation program feasibility study ($9,145)

Upgrade of Valemount daycare centre ($5,544)

Valemount youth centre project ($12,730)

Whirlpool therapy tub ($10,204)

There's no way to replace what was lost during the flooding that took place during the late '60s behind the four Columbia Treaty dams. But the benefits now flowing back to the region can help rejuvenate the area and allow the people to rebuild their communities.

Through our partnership with the Regional Districts, about $5.55 million is being channeled by the Trust back to the region for Affected Area Initiatives over the next ten years. This is funding directed to those regions of the Basin most affected by the flooding that took place thirty years ago. The money is intended to help foster the activities and programs that each community deems most important.

In addition to the Affected Area Initiatives, the Trust is channelling another $7.4 million in new Basin Community Initiatives funding through the Basin's five Regional Districts and the Ktunaxa/Kinbasket Tribal Council.

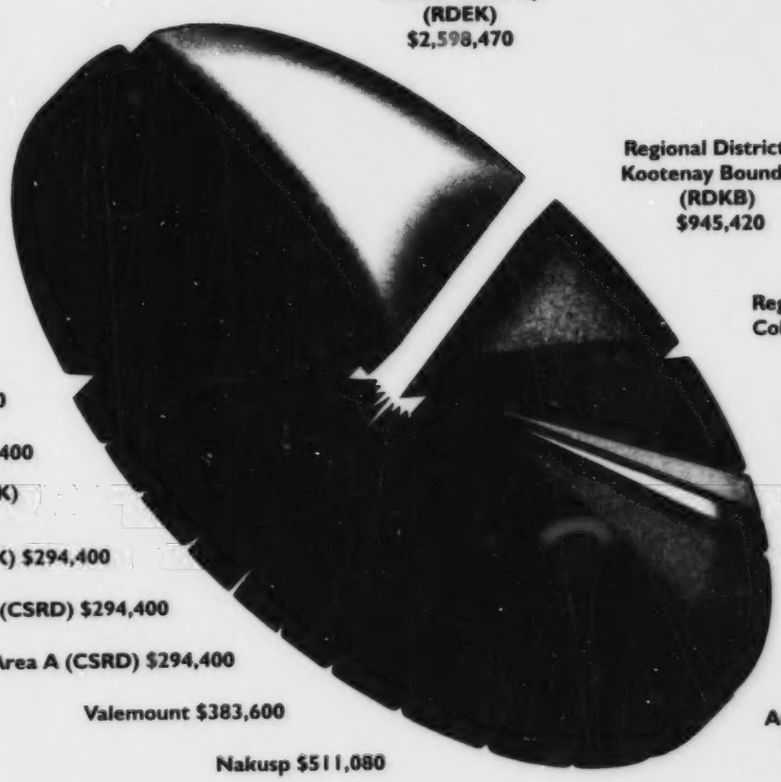
This funding is intended to help Basin residents by injecting money directly into every community for projects that might not otherwise have been undertaken.

Photo: (Right) One of many Nakusp residents presenting community funding proposals to their neighbours.

(Far right) The Kootenay Reservoir at low water — "maximum drawdown."

NDING
GRAM:
BASIN
UNITY
ATIVES
FECTED
AREAS
OGRAM

Funding over 10 years



Regional District of East Kootenay (RDEK) $2,598,470

Regional District of Central Kootenay (RDCK) $2,678,360

Regional District of Kootenay Boundary (RDKB) $945,420

Regional District of Columbia Shuswap (CSRD) $736,450

Regional District of Fraser Ft. George (RDF/FG) $230,500

Ktunaxa Kinbasket Tribal Council (KKTC) $230,500

Revelstoke $1,184,520

Area K (RDCK) $587,920

Golden $584,090

Area B (RDEK) $534,340

Nakusp $511,080

Valemount $383,600

Area A (CSRD) $294,400

Area B (CSRD) $294,400

Area J (RDCK) $294,400

Area D (RDCK) $294,400

Area C (RDEK) $294,400

Area H (RDF/FG) $294,400

LEGEND

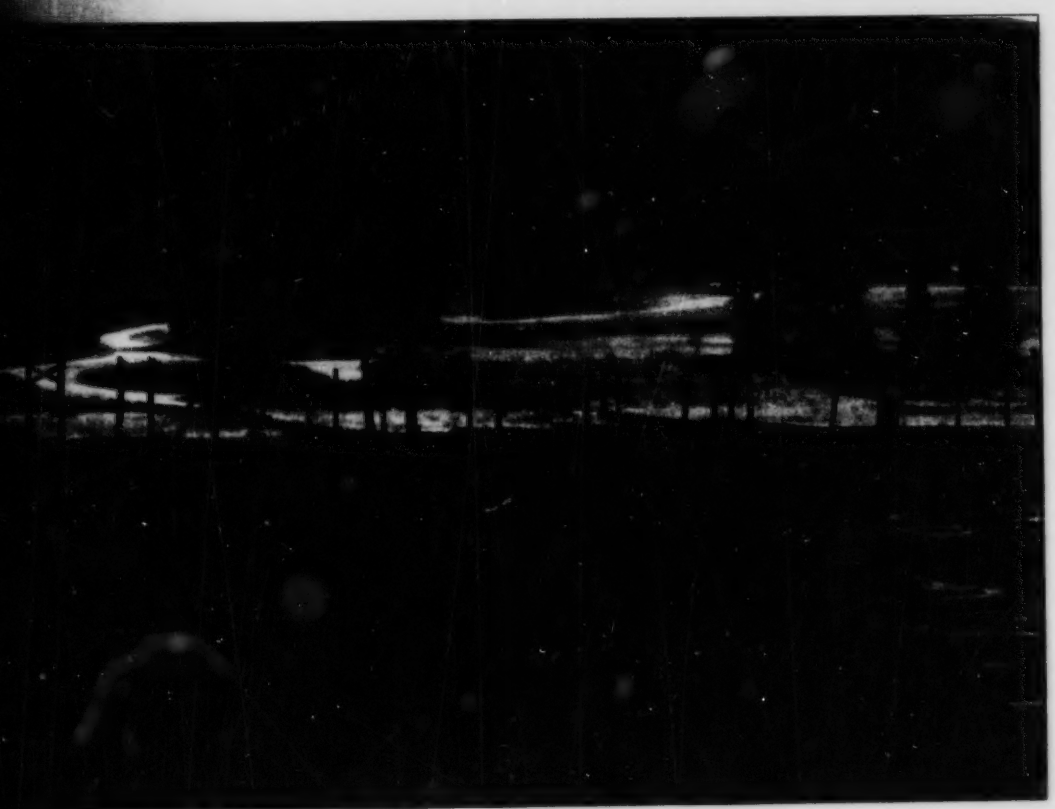
- Red slices indicate funding from the Affected Areas Initiative
- All other colours indicate funding from the Basin Communities Initiative
- Brackets indicate which regional district the area is located in

ARROW LAKES:

The people's choice

The communities surrounding the reservoirs were among the most severely affected by the flooding.

On the Arrow Lakes, some of the people were forced from their homes and farms to make room for the water. Everyone still has to watch as the dark ring of dirt slowly emerges around the lakes each year as the water pours out of the Keenleyside Dam. Everyone still suffers the dust storms that are whipped up as this exposed soil dries out.



"We live with the impacts every day," says Rosemarie Johnson, mayor of the Village of Nakusp. But she looks forward to the positive impacts that the Trust's Affected Areas Initiative promises to bring to the region.

The village will receive $894,000 over the next decade to spend rehabilitating the area. The money is being made available to local people to develop projects they are interested in.

And the people are getting the chance to take an active role in deciding how these funds will help them build a new community, culture, and environment for themselves.

The village councillors put together a committee to handle the process. None of the committee members hold public office. The committee is there to ensure the projects meet the Trust's and local Regional District's criteria for funding, and to facilitate the decision-making process. The actual decisions about who gets funding will be made by the community at a public forum.

"I'm really interested in this process," says Johnson.

She says it is particularly important to put the decision-making power back into the hands of the people because of the lack of consultation at the time of the dam construction.

"There's still a bitter taste in people's mouths from the flooding, especially because there was so little consultation at that time," says Johnson. "There's no way they can make up for what was lost. But it shows the people that the Trust understands."

She says that this kind of process is a very new idea, and will take some time to perfect.

"This is the first step. Over the next ten years I'm sure it will evolve."

One idea for putting the decision-making power in the hands of the people was developed down the highway in Burton, and is proving a popular idea throughout the Arrow Lakes region.

The people of Burton originally formed a committee to decide which projects would be funded. But they soon ran into the problem that some of the same people who were interested in being on the committee were also the ones presenting project ideas, says Bill Watson, who chaired the committee.

"The community is so small, that if we didn't put in projects, we wouldn't have had very many at all. Then one of our committee members, Trish Cannon, came up with the idea of an open house. It was just a brilliant idea," says Watson.

The eight-person committee held an open house in April to showcase the seven proposed projects. About 125 people showed up to rank the projects, and decide which ones would share the $19,300 that was being made available in their area during the next two years.

But this format also held pitfalls.

"The people definitely showed they were not interested in some of the projects, but under this format, they could have still received funding if the projects that were chosen weren't successful," says Watson. "We were first off the mark on this type of idea. I don't think we'll do the voting quite like that again."

The two projects chosen involved building new playground equipment for the elementary school and a new clubhouse for the local seniors' society. Both projects will require funding on top of that from the Affected Areas Initiatives. They will then have one year to raise that extra money.

ENDING
OGRAM:
BASIN
MUNITY
IATIVES
FECTED
AREAS
OGRAM

LAKE KOOCANUSA:

Flooding the big valley

As a boy in Sand Creek, Randy Reay never thought the middle of his ranch would one day be a beach. But today his children can frolic in Lake Koocanusa, where his cattle once roamed, and watch the tourists boat by from the campgrounds now appearing all around their land.

...ndate provides many avenues – business ... infrastructure projects, and loans – that are ... local residents adapt to the new economy emerging around them.

"I never learned to swim. I never thought I'd need to," says Reay, who represents his Area, known as B, for the Regional District of East Kootenay. "It's caused tremendous changes here."

But, thirty years after the reservoir was formed by the Libby Dam, local residents are still coming to terms with the changes.

"First we lost one town. Quite a few others were impacted. And the lake turns into a big dust bowl each year before the melt."

But as the lake fills up with water, so does the region – with tourists from Alberta, the Elk Valley, and Cranbrook. This has created many seasonal jobs and driven up the demand for land.

"The marinas are full all summer. There's a greater demand than we can supply," says Reay.

This is a already a large transformation from the initial years after the flooding.

"First there were the lean years. We lost a lot of ranching operations. A lot of forestry land was submerged," says Reay. "Now there's lot of opportunity. But it's also putting a lot of pressure on the services, and it's only seasonal. It's a tough act to try and balance."

The Trust's mandate provides many avenues – business investment, infrastructure projects, and loans – that are helping local residents adapt to the new economy emerging around them.

But the benefits of these programs are sometimes difficult to realize for the residents that are not directly involved. That's why the Trust's Affected Areas and Basin Communities Initiatives Programs are putting $63,000 straight into the communities around this reservoir each year for the next ten years.

"We appreciate the Trust's efforts to recognize the impacts," says Reay. "It's allowed people who live here full time to do some things that maybe wouldn't have happened otherwise."

Most of the initial funding will go toward improvements at four community halls, one seniors' centre and one curling club. Residents are also lobbying for a formal impact study to be undertaken to measure the impact the dam has had on the communities and identify ways to make the best of their new situation.

But it has taken a lot of effort to make sure the money causes more good than grief, says Reay.

"Someone said, 'They've given us just enough to squabble over.' We said 'No way, that's not going to happen.' And it hasn't. Instead, it's fostered a very cooperative attitude among the communities."

SPENDING PROGRAM: AFFORDABLE HOUSING

Seniors can stay in Valley

Harriet Christie plays the piano at the Slocan Valley Senior's Housing Project.

A massive community effort has created homes for seniors who might otherwise have to leave the Slocan Valley and who want to live closer to their families and friends in the area. After four years of lobbying, organizing, and fundraising, construction on the $1.4 million Slocan Valley Seniors' Housing Project started in November, and the first nine residents are scheduled to move in this June.

"It looks nice. It looks really good," says Harriet Christie, who's "over 80" and will be one of the facility's first residents. As of press time, only one of the ten one-bedroom suites hadn't been snapped up.

For some Valley residents, age brings needs that can't be met living in rural isolation. But moving elsewhere can bring major upheaval.

"Older people were aging in their own homes and finding it difficult to remain there. The alternative was to go to a larger centre," says Donna Ratcliffe, an administrative assistant for the Slocan Valley Seniors' Housing Society. "The whole reason this got started was to enable seniors to stay in the Valley, close to their friends and their families and their community, in a supported and affordable environment."

Christie was living with her son's family in Winlaw, but they moved up north. "I lived in the Valley for years, brought my family up here," she says. "I don't want to be by myself. It will be nice to know there's somebody next door to say hello to. I thought it would be better to be with other people, closer to the store and the post office."

It's no wonder the units are going fast: local mills donated lumber, woodworkers donated labour, and the apartments are "beautiful," Ratcliffe says. Birch cabinet fronts, window trim, and flooring in the entryways give the dwellings a natural and bright ambience. Six of the homes are 604 square feet, and four are slightly larger.

For the four units renting at the low-end of the market rate, rent is cheap at $430 including utilities. For the six units fully subsidized by BC Housing, residents pay 30 per cent of their monthly income for rent, with the Crown corporation kicking in the rest.

The Columbia Basin Trust donated $50,000 for project construction. The society has a $935,000 mortgage with BC Housing, and will pay it off over thirty-five years with the help of income from renting the suites.

AFFORDABLE HOUSING TARGETTED

Without funding, dreams of creating affordable housing can remain forever unrealized. As part of the Columbia Basin Trust's mandate to bring social benefits to Basin residents, the Trust is providing $240,000 to increase the number of affordable homes for people from diverse backgrounds and circumstances.

Sixteen applications for housing projects came in by last month's deadline. The Trail Family and Individual Resource Centre Society (FAIR) is administering the funding program, and they're in the process of narrowing down the list to eight applicants.

Those applicants will be asked to submit "full-blown proposals," says Sandra Cacchioni, a co-administrator for FAIR.

The $240,000 includes money to pay a coordinator and help get the projects started, plus $190,000 for the housing. There's a $100,000 per-project limit, and the funding through FAIR can't amount to more than ten per cent of the total project cost.

Proposals will be evaluated based on:

- Demonstrated long-term affordability
- The degree of housing need in the local market
- Number of units produced relative to required financial support
- The strength of the sponsoring organization
- Community and consumer involvement

SPENDING PROGRAM: PARTNERS

Youth link with communities

A dozen young people will spend six weeks this summer living and working around the Columbia Basin. Under the Columbia Basin Youth Link Program, the selected young people, aged 17 to 20, will travel around the region learning about social, economic, and environmental issues. They'll also contribute to Basin communities by working on community projects.

Work projects will provide practical experience, with participants taking on tasks that may include ecological restoration, trail building, or assisting with artistic and cultural projects.

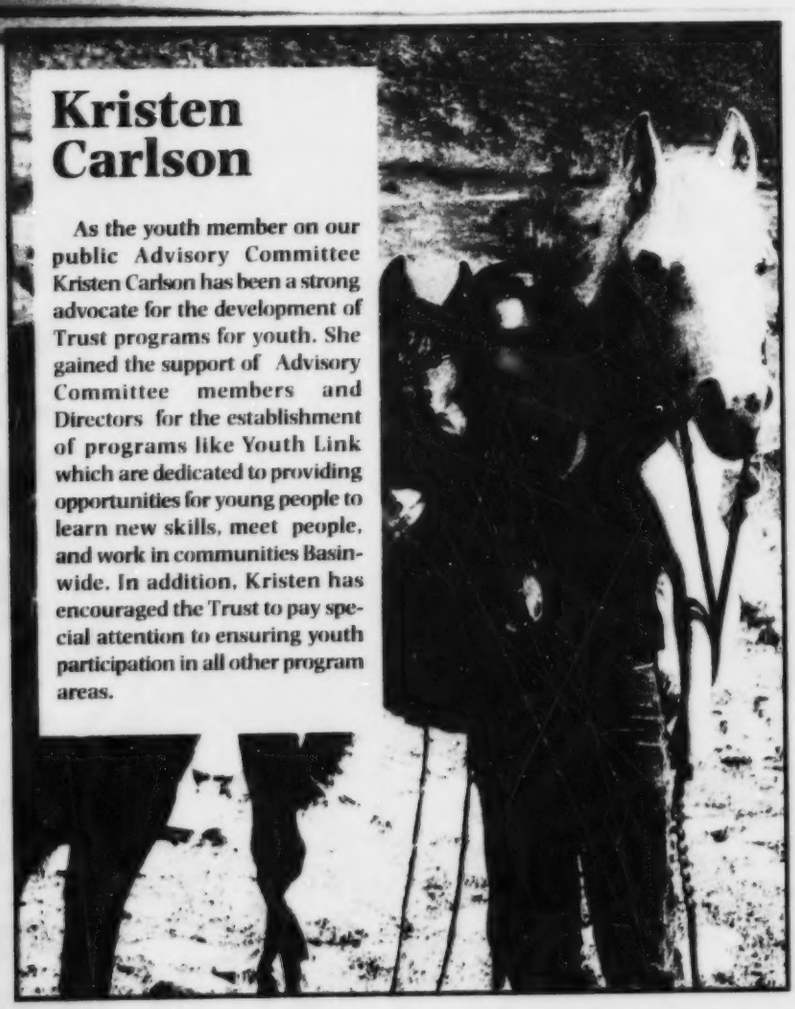
The program, funded by the Trust, is based on the philosophy of "experiential learning," a hands-on approach to education. This education will come from workshops, field trips, tours, and meetings with community mentors and seniors. Work projects will provide practical experience, with participants taking on tasks that may include ecological restoration, trail building, or assisting with artistic and cultural projects.

Teamwork will play a major role in the program. The young people will live and work as a group throughout the six weeks between July 12 and Aug. 20, developing life skills and group work skills such as clear communication, conflict resolution, and consensus decision-making.

The group will stay in campgrounds, lodges, hostels, and with host families, and they'll travel together in a fifteen-passenger van. They'll spend five days per week on the program, with weekends off.

After the six weeks have passed, the participants will share their education and experience with others in the Basin. Activities will be selected by participants and project coordinators, and may include presentations to school and community groups, or new community projects.

Participants will receive an honorarium of $100 per week for the six weeks, and a bonus of $1,000 for completing the program.



Kristen Carlson

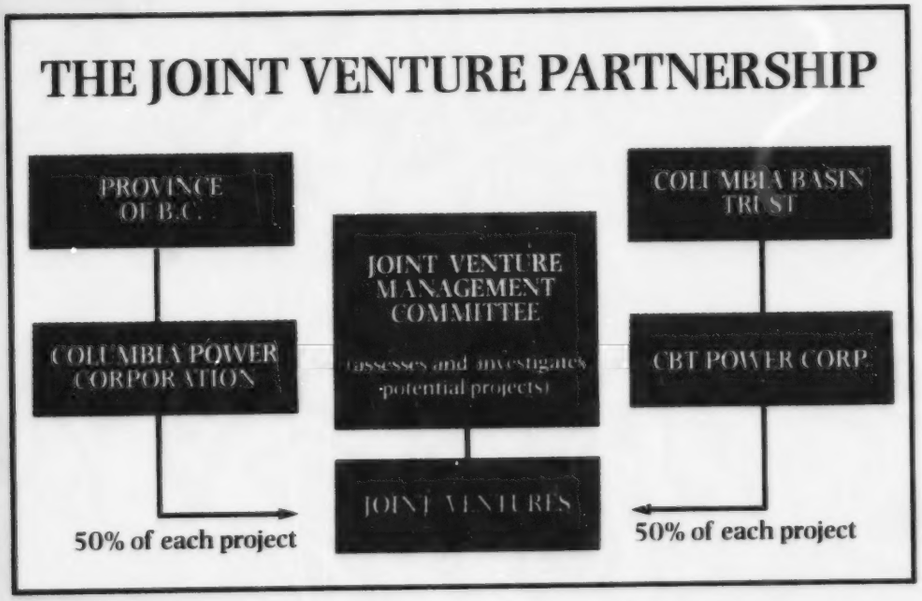
As the youth member on our public Advisory Committee Kristen Carlson has been a strong advocate for the development of Trust programs for youth. She gained the support of Advisory Committee members and Directors for the establishment of programs like Youth Link which are dedicated to providing opportunities for young people to learn new skills, meet people, and work in communities Basin-wide. In addition, Kristen has encouraged the Trust to pay special attention to ensuring youth participation in all other program areas.

Rebecca Horton and Fred Folliott

Columbia Basin Youth Links is a new program, offered in partnership with the Canadian Mental Health Association for East Kootenay. This experiential learning program offers youth aged 17 to 20 the opportunity to learn about the Columbia Basin area and the issues that affect it. The youth will be travelling for six weeks, working on community projects, participating in educational opportunities, and gaining greater awareness of the Columbia Basin. The coordinators, Fred Folliott and Rebecca Horton are responsible for the program planning and implementation as well as the supervision of youth for the six week duration. The Youth Links group will be joining the Columbia Basin Trust at their Annual General Meeting in Castlegar.

INVESTMENT PROGRAM

Powerplant project at Keenleyside



This $250 million project is being developed in partnership with Columbia Power Corporation and is expected to create a total of about 1,000 person years of employment in the region, and additional indirect economic benefits.

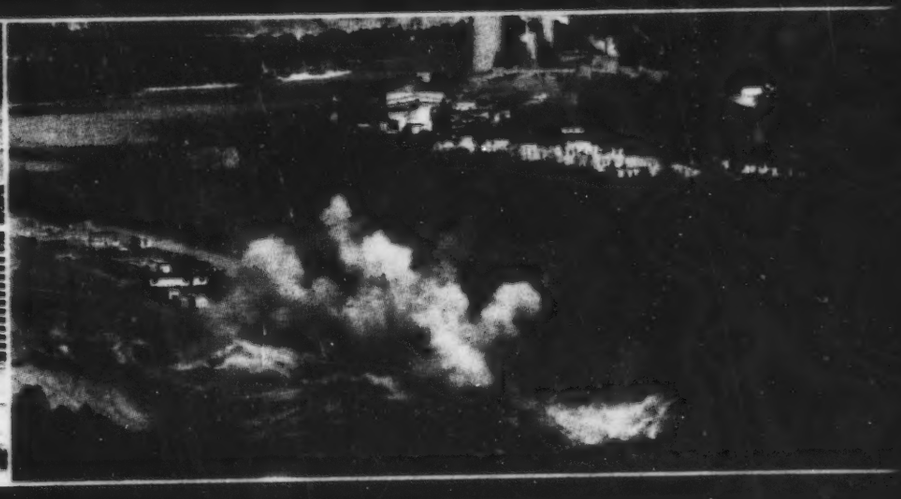
One of the most important projects the Trust started in the region this year is the installation of power-generating turbines at the Keenleyside Dam. This $250 million project is being developed in partnership with Columbia Power Corporation and is expected to create a total of about 1,000 person years of employment in the region, and additional indirect economic benefits. Work started at the powerplant project at Keenleyside in March 1999. Project completion is scheduled for the spring of 2002.

Once complete this investment will earn income for the Trust and revenue for the Province. The power generated will produce about $300 million in sales over twelve years. BC Hydro has a contract to buy this power until 2015.

Sale of electricity from the project is expected to produce $17.5 million per year in 2003 and grow to $40 million per year by 2028. Half of the revenue from the project will flow to the Trust, which will invest and spend this money in communities Basin-wide.

The powerplant project at Keenleyside includes the construction of a two-turbine, 170 megawatt power house located 400 metres downstream from the existing storage dam. The dam is located just north of Castlegar. It holds back the waters of the Columbia River and stores them in the 135 mile long Arrow Reservoir.

This one single project is expected to have an impact on just about every aspect of the region, injecting money into the community, now, through direct and indirect employment. The project will provide the Trust with a long-term funding source to invest in business and spend in communities.



INVESTMENT PROGRAM: POWERPLANT PROJECT AT KEENLEYSIDE

Environmental approval

On behalf of the joint venture partners Wally Penner, Director, Community and Regional Affairs, coordinated the environmental approval process to ensure it was thorough and successfully completed.

It took more than three years of environmental reviews to get the approvals necessary to begin construction of the powerplant project at Keenleyside.

Completion of a thorough environmental review for the project was a requirement for project licensing and also a commitment made by the Trust to the people of the region.

"We were prepared to take all the time and care necessary to ensure that the environmental review of the project was thorough and complete," says Josh Smienk, Trust Chair.

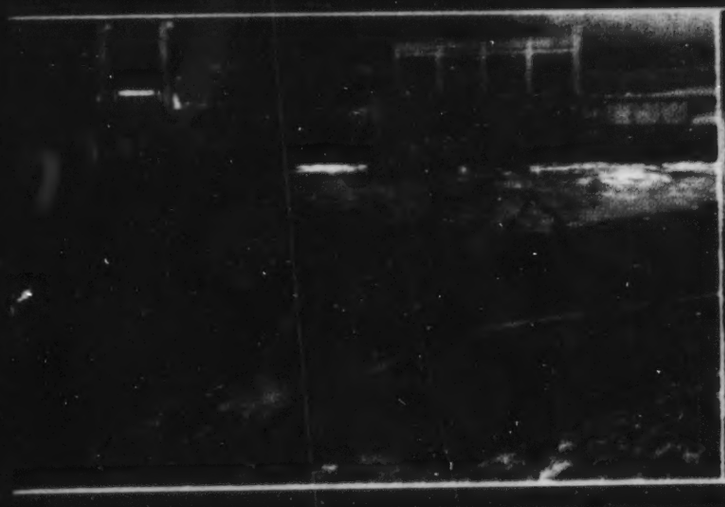
In fact, the project has become an integral part of the attempt to rectify some of the problems created during the previous series of dam constructions three decades ago.

One of the lingering problems, the increased dissolved gas in the river downstream from the dam, will actually be reduced. Allowing water to spill actually creates more dissolved gases than letting it run through the new turbines.

"We know the installation of the turbine will increase fish habitat at the outfall of the turbine, and that reducing dissolved gas levels will improve the quality of water for fish downstream of the project all the way to the Pacific," says Wally Penner, Columbia Power Corporation Director, Community and Regional Affairs.

As part of their commitments under the environmental review process the Trust and Columbia Power Corporation will jointly provide $175,000 annually to a fertilization program for the Arrow Lakes. "A similar program run by the Columbia Basin Fish and Wildlife Compensation Program on Kootenay Lake has resulted in an 800 per cent increase in fish stocks," says Penner. "The program on the Arrow Lake follows the same model, and we have every reason to expect the same kind of results."

The review process itself addressed many significant issues, including how to minimize the potential effect on the water temperature in the Columbia River, protect aquatic habitat on both sides of the dam, limit the sediment caused by construction, and limit the impact of transmission lines on the surrounding environment while maintaining public safety and the flow of traffic to the construction site.



INVESTMENT PROGRAM: POWERPLANT PROJECT AT KEENLEYSIDE

Work at Keenleyside begins

LOCAL HIRE

- **$50 million in wages will create 1,000 worker years of employment by 2003**
- **250 direct jobs created**
- **150 indirect jobs**
- **85 per cent of workers live within 100 kilometres of the dam**

BENEFITS OF THE INNOVATIVE DESIGN EVALUATE-BUILD CONTRACT PROCESS:

- **Fixed price contract - no cost over- runs unless design changes**
- **Design competition results in best project**
- **Encourages wholistic approach from design through construction**
- **Brings together groups of companies and encourages innovation**
- **Allows for final check on project viability based on known costs, prior to contract award**

Once the deal at the Hugh Keenleyside Powerplant Project was announced, businesses throughout the area started gearing up for the extra services that would be needed to support the influx of people and dollars into the area.

Fifty million dollars were earmarked for direct wages, 85 per cent of which are targetted for area residents.

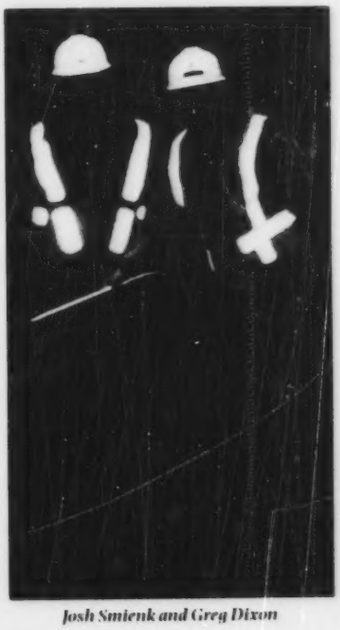
More importantly, part of Kiewit's proposal included $15 million that will be spent as part of the regional benefits package that will improve specific community infrastructure to accommodate the increased traffic through the area.

An important planning decision was made by the Trust and CPC to schedule future power projects in sequence to minimize boom and bust economic cycles.

"Boom and bust causes a lot of social problems, and stress on the infrastructure," says the Columbia Power Corporation's Director, Community and Regional Affairs Wally Penner.

"That's why we've staggered them."

Craig Price and Camil Bailey, local workers.



Josh Smienk and Greg Dixon

Contract awarded

Greg Dixon was wandering the forests of New Brunswick, stalking one of the largest mammals on the continent, when he got a call from the office.

Within minutes he'd realized that his trip was over. What he'd bagged was not a moose, but the biggest contract of his life – the Hugh Keenleyside power generation project.

"I recognized the potential of this project for the community, the Trust, and the Province, and for our company," says Dixon, who had spent almost a year, hundreds of thousands of dollars, and hired at times up to twenty-five engineers to prepare a proposal for the project. It was a big investment for Peter Kiewit and Sons Ltd.

"We looked forward to tackling a project of this size. I'd always wanted to build on the Columbia River. For an engineer it's a dream come true. The river is a significantly important waterway with respect to hydro, and it's a serious economic and environmental force," says Dixon.

The contract had been tendered around the world. Being based in Burnaby, Dixon was already familiar with the power and mystique that had built up around the Columbia River.

Just being chosen as one of the final three contenders in September 1997 was already a great accomplishment. But his proposal, and a design-build team which included GE Hydro and Harza Engineering Company, turned out to be more than enough to secure the contract.

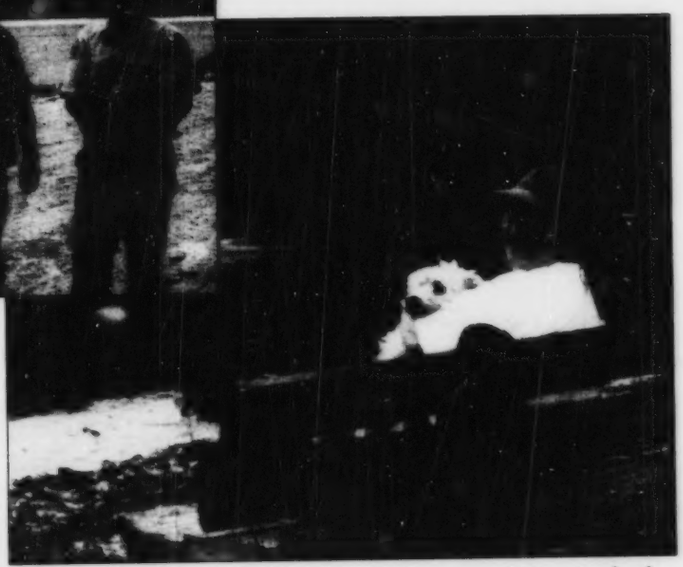
The contract was finalized Dec. 31, and Dixon was on site by February, 1999.

Dixon says Kiewit will also be bidding on any other power projects in the region as they come along.

INVESTMENT PROGRAM: POWERPLANT PROJECT AT KEENLEYSIDE

Parks development

(Left to Right): Gary Birch, Environment and Social Issues Manager, Kootenay Generation, BC Hydro; Wally Penner, Director, Community and Regional Affairs, Columbia Power Corporation; Steve Bolen, Superintendent, Peter Kiewit Sons Co. Ltd.; Dan Harlow, BC Parks Castlegar Area Supervisor.



Lynn Hague and her family manage the Pass Creek campground. The regional park received $76,000 for upgrades to the park, including the new beach shown above.

As more jobs flow into the region from the powerplant project at Keenleyside, so will the amount of recreational activity in the area. The Columbia Basin Trust and Columbia Basin Power Corporation have put $150,000 toward improving the facilities at two local parks to help prepare for this increased use.

The Syringa Creek Provincial Park and Pass Creek Regional Park, both within twelve kilometres of the dam site, each get $75,000.

Work to be completed at Pass Creek includes a new bridge across the creek, picnic and camping facilities, improvement of the playing fields, installation of an irrigation system, and completion of the washroom facilities. At Syringa Creek, the money is targetted to improve camping, and the park and beach areas.

Transmission lines

Fortunately, for almost half of the route the transmission lines will make use of the existing corridor.

One of the most difficult aspects of moving electrical power from the generator to customers is the need for construction of transmission lines.

With 170 megawatts soon to be generated at the Keenleyside dam, and an additional 19 MW anticipated from the Brilliant turbine upgrade, forty-nine kilometres of new hydro line needs to be constructed between the dams and the Selkirk power substation near BC Hydro's Seven Mile Dam.

An abundance of private land holdings and forest properties along the route has meant there was a need for careful route selection and extensive public consultation to choose the route with the least overall impact.

"None of it is easy," says Wally Malkinson, CPC project coordinator for the $40 million transmission line project. "Everybody has to be treated with respect because everybody has their own concerns."

There are twenty-six properties owned by twenty-three separate landowners along twenty kilometres of the the forty-nine kilometre route. Atco Lumber Ltd. owns almost one quarter of the private land in two large parcels.

Finding the proper route was made easier however thanks to the efforts of BC Hydro. The power company completed a series of studies to find alternative corridors in the area between 1975 and 1985 and again between 1990 and 1994.

As managers for the project, CPC chose to use information gathered in these processes and in addition completed another three years of public consultation. "The exact paths are still being refined before work begins," says Malkinson.

The first major area where the lines will cross private land is a four kilometre stretch over Pass Creek behind Robson. From there, the lines travel to the Brilliant dam, up to the height of land on the east side of the valley, and then across six kilometres of private Atco forest land.

At kilometre 24.5, the lines will cross under the existing hydro lines from the Kootenay Canal which they will follow to the substation. Along this part of the route, the lines have to cross about five kilometres of private land in the Hoodoo Creek and Beaver Valley areas.

The final three kilometre section of private land is located just before the lines reach the station in the Kelley Creek Watershed.

ONGOING IMPACT COMMITTEE

The Keenleyside Community Impact Management Committee is comprised of twenty local and project representatives from the project manager to local police and residents. It is intended to monitor any social, economic or other problems that may result from the construction of the powerplant.

The committee can be reached at 1-888-393-8811 or 365-8584, sem *a* kootenay.net

INVESTMENT PROGRAM: POWERPLANT PROJECT AT KEENLEYSIDE

Fertilizing the food chain

The vast network of dams built since the 1960s took food from the Kokanee salmon which inhabit the Kootenay and Arrow Lakes.

Since the Libby and Duncan dams on the Kootenay and the Mica and Revelstoke dams on the Arrow slow the flow of water before it reaches these two lakes, part of the nutrients that were otherwise carried by fast water into the lakes now drops to the bottom and is impounded behind the dams.

These nutrients, particularly nitrogen and phosphorus, are essential to the health of the lakes, providing the first link in the food chain for both lakes.

Nutrient levels determine how much phytoplankton can survive in the lake. Zooplankton feed on phytoplankton, kokanee salmon feed on zooplankton, and large rainbow and Gerrard trout feed on kokanee.

During the first few years after the flooding, nutrient levels actually increased as the nutrients from the flooded lands dissolved into the lakes.

But as nutrient levels in the upstream Revelstoke and Kinbasket reservoirs fell, nutrient levels in the Arrow Lakes reservoir fell below historic levels.

A fertilization project was started in 1991 on Kootenay Lake to see if adding a special blend of natural nitrogen and phosphorus fertilizers would restore nutrients to their natural levels.

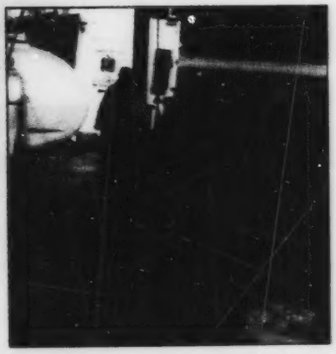
By 1996, researchers were conducting similar studies in the Arrow Lakes Reservoir, but felt it prudent to wait for preliminary results from the Kootenay Lake project to indicate if the fertilization theory would work or not.

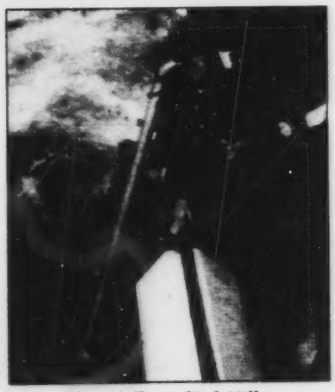
Early indicators already show that the number of kokanee salmon spawning in the north end of Kootenay Lake has risen 800 per cent from 1991 to 1997.

As indicators started showing the kokanee populations in the Arrow Lakes were nearing collapse - returns in the Upper Arrow Reservoir had dropped from 550,000 to 60,000 fish between 1988 and 1998 - the Trust and the Columbia Power Corporation earmarked $175,000 for fertilization projects annually.

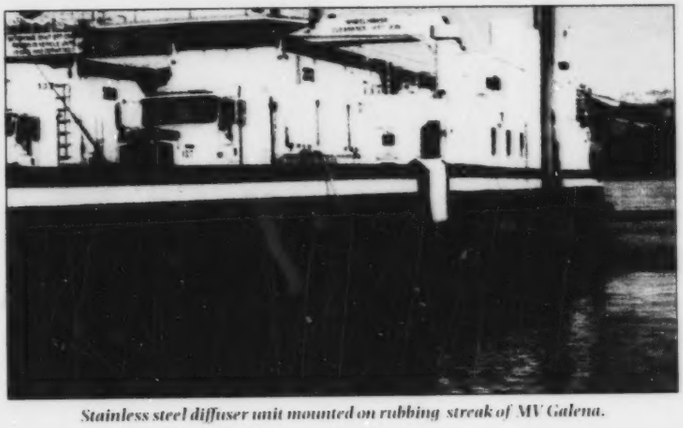
They also started the project a year early, commencing in April 1999 instead of spring 2000.

The Columbia Basin Fish and Wildlife Compensation Program, responsible for delivering the fertilization program, is contributing more than $500,000 toward the project this year.





Diane Koller and Bob Millar, B.C. Environment

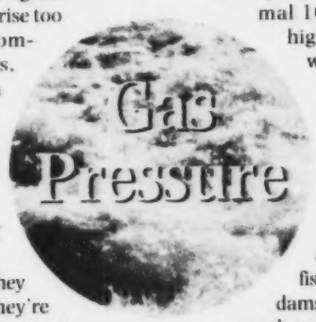


Stainless steel diffuser unit mounted on rubbing streak of MV Galena.

People often caution, "Too much of a good thing..."

And this certainly seems to be the case for fish living in the oxygen-rich waters below the spill areas in the vast network of hydro dams throughout the Columbia Region.

Like divers who rise too fast and get decompression sickness, there are certain times when fish swimming there are getting "bubble sickness" caused by the aerating effect of spilling water.



"Usually when they stay down deep, they're alright," says Julia Beatty, who heads up the Ministry of Environment's environmental assessment department for the Kootenay region.

"It's when they go into the shallow areas to feed that they run into troubles."

Beatty says the hydrological physics and biological processes which lead to bubble sickness are extremely complex, and aren't fully understood. Basically however, it comes down to a mixture of water temperature, depth, and turbulence.

The problems for the fish result from the air bubbles that become trapped under the water surface. Fish breathe by drawing the oxygen out of the water. The air trapped in bubbles actually asphyxiates them, by blocking the water from entering their pulmonary system.

Nature itself sometimes pushes a river's gas pressure from the normal 100 per cent level as high as 110 per cent in waterfall areas, and in other specific circumstances.

Because of the lack of detailed knowledge regarding both the formation of gas pressures and their effects on fish, gas levels below the dams have been allowed to reach as high as 140 per cent, leaving the fish gasping.

But help is on the way. In addition to the Columbia Basin Trust and the Northwest Power Planning Council, seven local interest groups have banded together with the Columbia Power Corporation to form the Columbia River Integrated Environmental Monitoring Program (CRIEMP).

For the past few years, each of the members of CRIEMP has been involved on their own, monitoring gas pressures in various parts of the Columbia and Kootenay rivers. This will be the first year that they are operating as a unit.

Other interest groups such as Pope & Talbot Ltd. and Celgar are also involved in sharing information with the group.

By pooling their resources, these parties are hoping they will be able to gather a comprehensive database enabling them to get gas pressures back between the 100 and 110 per cent limit.

Some progress has already been made from using new techniques to minimize the gas pressure on the river. Even the difference between spilling from gates and ports is significant enough to reduce the gas pressure.

Installation of the turbines at the Keenleyside Dam will also help reduce dissolved gas pressure in the system.

"There's been a significant amount of progress made in their operations already," says Beatty.

Another interesting issue that has risen out of previous studies is that gas pressures are impacting fish much more dramatically on the American side of the border than on the Canadian side.

"This makes the issue a pretty important one for trans-boundary relations," says Beatty.

The Trust and the Northwest Power Planning Council have been working internationally to establish working groups to look at dissolved gas problems as a cross-border issue.

...involved in ...g dissolved ...pressure

...lumbia Basin Trust
...thwest Power ...ning Council
...lumbia Power Corporation
BC Hydro
...t Kootenay Power
Cominco
City of Castlegar
City of Nelson
B.C. Ministry of Environment
...onment Canada

TMENT
GRAM:
UTURE
OJECTS

Harnessing Brilliant and Waneta

Across the valley from the Keenleyside Dam lies the Brilliant Dam, located only a few kilometres from where the Kootenay and Columbia rivers meet.

The dam, jointly owned by Columbia Basin Trust and Columbia Power Corporation, produces about $2 million annually in profits for the partners.

the Keenleyside project already underway, are now looking at the Brilliant Dam to see being spilled there can be harnessed with imum of impact on the environment.

The partners are also investing about $2 million annually to restore the dam to its original condition, employing about thirty-five construction workers from the region for about five months each summer. The partners are now planning to boost that figure by upgrading the four turbines at the dam.

Based on computer efficiency models, the upgrades should allow the dam to generate an additional nineteen megawatts of electricity annually.

The various designs are still being reviewed to maximize the efficiency of the turbines once they are installed.

The power currently generated at Brilliant is sold to West Kootenay Power under a guaranteed sixty-year power sales agreement.

The first two turbines will be replaced in 2001, and the second two during the following year.

Similar turbine upgrades are now being planned for the Waneta Dam near Trail.

With the Keenleyside project already underway, biologists are now looking at the Brilliant and Waneta dams to see how the water being spilled there can be harnessed with a minimum of impact on the environment.

"We know it's going to reduce the total gas pressure, which will improve the water quality for fish. But we need to find out how the changes in flow will effect the fish, which includes finding out where they spawn, when they spawn, and mapping out the underwater terrain," says Wally Penner, Columbia Power Corporation Director of Community Relations and Regional Affairs.

Initial projections show that between seventy-five and 100 MW can be generated at Brilliant by installing an additional turbine and 380 MW could be generated at Waneta. Penner says a rough estimate for the cost of building the Brilliant expansion is around $130 million and $300 million for the Waneta expansion.

But there are still about three years of environmental assessment that need to take place before approvals can be sought for the Brilliant construction project, and the proper cost-return ratio can be established.

The Columbia Power Corporation acts as the manager of power projects on behalf of the joint venture partners.

SPENDING PROGRAM: COLUMBIA BASIN FISH AND WILDLIFE COMPENSATION PROGRAM

PAMELA RUTHERFORD PHOTO

PROJECTS TARGET ECOSYSTEM HEALTH

Sharing our home

Operation Bluebird volunteers in Creston.

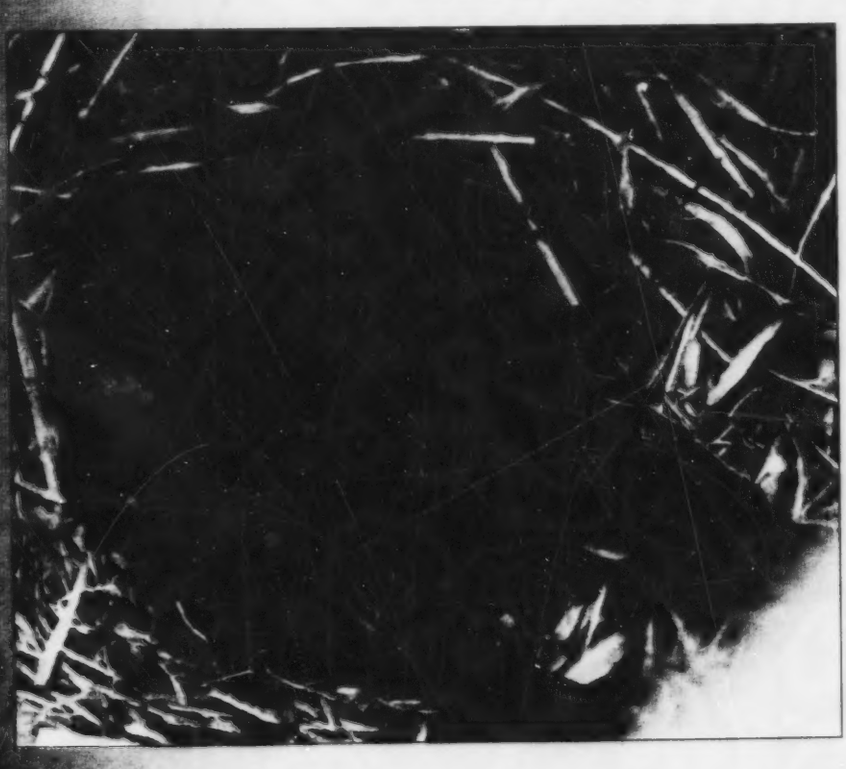
For most residents of the Columbia Basin, the abundance of living things that share our region makes this a better place to live. That natural wealth also brings money to the region's economy, as visitors come to enjoy our landscapes, waterways, and wildlife.

Dams, of course, have a huge impact on land, waters, and wild creatures, which directly affects quality of life for human beings. So it's appropriate that the Columbia Basin Trust has developed a program to use investment income to promote the health of a multitude of species living here.

Working with the Columbia Basin Fish and Wildlife Compensation Program – a joint initiative between BC Hydro and BC Environment – the Trust put half a million dollars into fish and wildlife programs for 1998/99 to pay for habitat improvement, scientific research, and public education. That cash funded thirty compensation program projects, and three more done by other groups.

The joint efforts also involve community organizations who apply for funding and work on the project. The East Kootenay Hunters' Association received about $35,000 for two habitat enhancement projects. In the Rabbit Ridge area near Elko, biologists compiled a draft management plan to enhance deer and elk habitat through cutting and controlled burning. At Bighorn Pasture, south of Cranbrook, association volunteers cut birch and aspen over a forty hectare area, so the new growth would provide food for elk, mule deer, and bighorn sheep.

Creating new growth by burning and cutting replicates the effect of natural forest fires, which now are kept from running their course. "It's a return to the original situation," says association president Ross Priest. "You have to re-create the original state that the land was in. Then you can bring the herds back." Non-hunters, too, will benefit from increased ungulate populations, he says. "It'll allow tourist viewing. It'll allow families to go out on the weekend and count animals during the winter."



Other joint projects between the Trust and the Compensation Program involve research. The East Kootenay Environmental Society received $10,000 to study ground squirrel populations between Mayook and Brisco. But the research goes beyond finding the range of these rodents. The project is intended to ensure the long-term health of the badger, a species that is considered threatened with regional extinction in B.C.

Ground squirrels are the main food source for badgers, so the fates of the two species are intertwined. "Of 201 plots we only found eleven that had ground squirrels," says project coordinator Nancy Newhouse. "It means they're not widely distributed across the landscape. They appear to have fairly specific habitat requirements." Comparison of ground squirrel distribution with badger ranges resulted in a finding important to badger conservation. "It gives us the verification that the badgers are selecting areas that have ground squirrel colonies," Newhouse says, adding that badgers have a range of between forty and 700 square kilometres, and can travel up to fifty kilometers in two days.

The Trust also provided funding for three public events, including $8,750 for the Golden Festival of Birds and Bears in 1998. "It helped us purchase assets that we can use from year to year," says festival coordinator Stephanie Fairley. "It got us over the hump and helped us present a very high-quality event."

The Birds and Bears Festival celebrates the natural history of the Golden area, with an emphasis on birds and bears. More than 2,000 people attended this year's festival, taking part in workshops, hearing presentations, viewing displays, and taking field trips.

The week-long event also included children's education, with experts visiting schools to discuss such topics as birdwatching and bear safety.

DING PROGRAM: PARTNERS

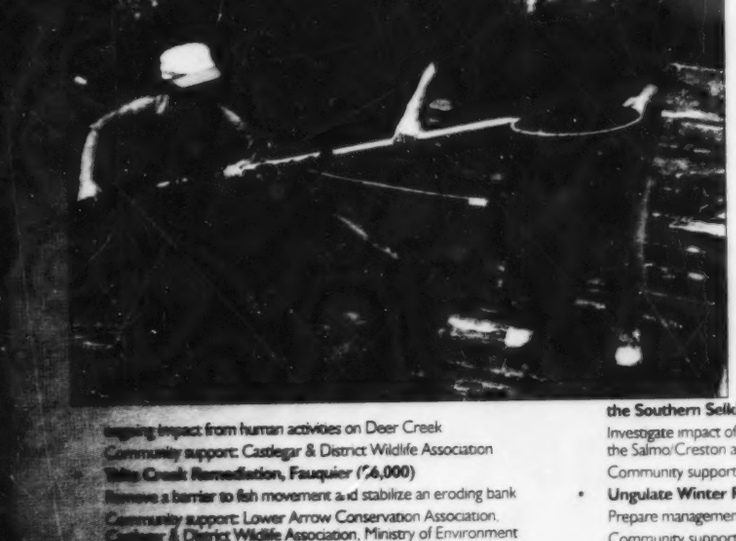
-funded projects administered by the Compensation Program

Diversion Project, Revelstoke ($9,000)
feasibility of allowing fish access to the upper Creek for spawning and rearing
support: Revelstoke Rod & Gun Club; Revelstoke

Alpine Inventory, Valemount ($9,600)
potential of small alpine lakes for stocking to provide opportunities for area hikers and anglers
support: Valemount Advisory Committee

Plunge Pool, Revelstoke ($5,000)
plunge pool below a culvert to allow bull trout and access to upstream spawning areas
support: Revelstoke Rod & Gun Club

Remediation Plan, Castlegar ($7,000)
stream-keepers group and develop a plan to address



ongoing impact from human activities on Deer Creek
Community support: Castlegar & District Wildlife Association

- **Tobe Creek Remediation, Fauquier ($6,000)**
  Remove a barrier to fish movement and stabilize an eroding bank
  Community support: Lower Arrow Conservation Association, Castlegar & District Wildlife Association, Ministry of Environment
- **Blueberry Creek Remediation, Castlegar ($6,000)**
  Develop a remediation plan in cooperation with Forest Renewal BC and local groups
  Community support: West Kootenay Flyfishers, Trail Wildlife Association
- **Arrow Reservoir Rainbow Trout Stock, Kinbasket Reservoir ($7,000)**
  Determine genetic relationships between rainbow trout in Kinbasket reservoir and original Arrow Lakes stock
  Community support: Revelstoke Flyfishers, University of British Columbia, Ministry of Environment
- **Kootenay Lake Fertilization Angling Survey ($9,000)**
  Measure the effect of fertilization on angling success for Gerrard rainbow trout and bull trout
  Community support: Angling public
- **Kinbasket Reservoir Kokanee Spawning Survey ($14,500)**
  Monitor the number of kokanee spawning in Kinbasket tributaries
  Community support: Columbia Basin Fish and Wildlife Compensation Program in Revelstoke, Valemount Advisory Committee
- **Kootenay Bull Trout Telemetry ($17,000)**
  Locate spawning sites for Kootenay River bull trout.
  Community support: Fernie, Sparwood, and Elkford Rod & Gun Clubs, Wapiti Flyfishers
- **Arrow Reservoir Trout Radio Telemetry ($28,000)**
  Identify critical habitat for Arrow Reservoir bull trout and yellowfin rainbow trout. Community support: Columbia Basin Fish and Wildlife Compensation Program Revelstoke Advisory Committee
- **Status of Columbia Basin Chiselmouths ($18,600)**
  Attempt to confirm the presence of a blue-listed (vulnerable to extirpation) species, the chiselmouth, in Windermere Lake, and document its distribution if present
  Community support: East Kootenay Environmental Society, Invermere branch
- **Kinbasket Reservoir Bull Trout Telemetry ($55,700)**
  Identify critical habitat for bull trout in Kinbasket Reservoir
  Community support: Ktunaxa/Kinbasket Tribal Council
- **Koocanusa Kokanee Survey ($9,000)**
  Monitor the number of kokanee spawning in tributaries of the Koocanusa Reservoir
  Community support: Fernie, Sparwood, and Elkford Rod & Gun Clubs, Wapiti Flyfishers
- **Sheep Mountain Burn ($14,500)**
  Use prescribed burns to improve winter habitat used by elk, mule deer, and bighorn sheep near Elko
  Community support: Traditional Bowhunters
- **Mountain Lion Ecology and Predation on Mountain Caribou and Mule Deer in the Southern Selkirk Mountains ($37,200)**
  Investigate impact of cougar predation on caribou populations in the Salmo/Creston area.
  Community support: Creston Rod and Gun Club
- **Ungulate Winter Range Enhancement, Elko area ($7,700)**
  Prepare management plan for habitat enhancement for deer and elk
  Community support: East Kootenay Hunters' Association
- **East Kootenay Ground Squirrel Survey ($10,000)**
  Define Columbia ground squirrel habitat preferences and investigate badger use of ground squirrel colonies
  Community support: East Kootenay Environmental Society, Columbia Valley Field Naturalists
- **Bighorn Pasture Ungulate Winter Range Enhancement Project, Cranbrook area ($28,000)**
  Use prescribed burns and cutting to rejuvenate/enhance elk, mule deer, and bighorn sheep winter habitat
  Community support: East Kootenay Hunters' Association
- **Tobacco Plains Wildlife Habitat Restoration ($36,500)**
  Develop habitat enhancement prescriptions for mule deer, elk, badgers, sharptailed grouse, and long-billed curlews on a portion of the Tobacco Plains First Nations Reserve
  Community support: Tobacco Plains First Nations Band, Ktunaxa/Kinbasket First Nations
- **McDonald Marsh Wetland, Jaffray ($24,900)**
  Enhance wildlife habitat at the marsh
  Community support: Ducks Unlimited, landowner
- **Wildlife Tree Creation and Enhancement, south of Revelstoke ($4,890)**
  Enhance wildlife habitat by topping trees and creating snags.
  Community support: Revelstoke Advisory Committee, Kootenay Tree Service Ltd.
- **Ceanothus Planting, near Trail ($950)**
  Enhance wildlife habitat through planting redstem ceanothus trees
  Community support: Traditional Bowhunters of BC, Trail Wildlife Association, BC Hydro
- **Habitat Requirements for Rubber Boas, Creston ($2,500)**
  Protect rubber boa overwintering habitat
  Community support: Creston Valley Wildlife Management Area, University of Northern B.C.
- **Operation Bluebird, Creston, ($4,950)**
  Enhance and monitor bluebird habitat
  Community support: Friends of the Creston Valley Wildlife Management Area
- **Bat Hibernaculum, Revelstoke area ($4,800)**
  Find a suspected bat hibernaculum and assess needs for habitat protection.
  Community support: Revelstoke Advisory Committee, Daniel Boles
- **Habitat Use of Northern Alligator Lizards and Western Skinks, Creston Valley ($4,800)**
  Assess the need for habitat protection for northern alligator lizards and western skinks
  Community support: Creston Valley Wildlife Management Area, University of Victoria
- **Little Slocan Landslide Rehabilitation ($48,513)**
  Community support: Slocan Valley Equal Access to Public Resources Society
- **East Kootenay Lynx ($25,000)**
  Inventory lynx habitat use, ecology, and life history.
  Community support: Canadian Parks Service, Habitat Conservation Trust Fund, Ministry of Environment, Aspen Wildlife Research
- **Kootenay Lake/Arrow Reservoir Conference ($10,000)**
  Present the public with results of the Kootenay Lake fertilization project for the past six years, and the results of Arrow Reservoir projects conducted over the past two years
  Community support: Columbia Basin Fish and Wildlife Compensation Program

OTHER PROJECTS FUNDED BY THE TRUST:

- **Golden Festival of Birds and Bears ($8,750)**
  Present a nature festival focusing on birds and bears
  Community support: Golden Festival of Birds and Bears Committee
- **Wings Over the Rockies '98 ($6,250)**
  Hold week-long event to raise awareness of the importance of wetlands and other wildlife habitat in the Columbia River Region.
  Community support: Wings Over the Rockies Committee

SPENDING PROGRAM: LIVING NDSCAPES

ROYAL BC MUSEUM

Living landscapes

cts vary from into the thriving yet unknown ations in the Valley to the dietary and of plants Kinbasket First People.

The Trust has teamed up with the Royal BC Museum to fund projects that spotlight the Basin's human and natural history as part of their Living Landscapes initiative.

A total of 148 proposals were submitted, of which the best twenty-three were selected to share $180,000 to start or continue their research. The projects vary from studies into the potentially thriving yet relatively unknown butterfly populations in the Pend D'Oreille Valley to the traditional dietary and medicinal uses of plants by the Ktunaxa First Nations People.

Another $150,000 will be spent developing a web site to make the accumulated information accessible to the public, and for cataloguing and assembling existing information for the site.

...al investigations at the ... Columbia Wetlands

Butterfly stories

The Pend D'Oreille Butterfly Study ($1,250)

After two years of weekend forays through the meadows of the Pend D'Oreille Valley, local biologist Norbert Kondla is starting to believe this could be one of the world's great butterfly-watching spots.

"This could, and I stress could, be one of the premier places to identify butterflies. So far I've been personally surprised at how many species I've been identifying," says Kondla.

Kondla started watching butterflies as a hobby at various spots across Western Canada in 1971.

While there have been very few serious studies into the pretty insects, Kondla says the information he is gathering is important for many reasons.

Raising awareness about butterfly watching can increase the number of people taking part in the July 4th Butterfly Count, helping compile statistics that will become invaluable to scientists in decades to come. Accurate counts of all species are vital to establishing the environmental impact human beings are making in any specific area.

He says butterfly watching is a great way to introduce people to the amazing diversity that exists at the lower end of the food chain.

"Ninety-nine per cent of the natural world is made up of those very small creatures without a backbone. The big fuzzies are great, but the reality of human perception is that, by and large, we don't tend to see small things very well."

The information will also prove valuable to teachers throughout the area.

"Educators can then use this information to open the eyes of their students to the tremendous diversity that exists out there among the smaller things that are all around us," says Kondla.

While hiking, butterflies can also tell you much about the area you are in. If you see certain butterfly species, and you are familiar with their feeding habits, you will be able to know what vegetation also exists in the surrounding area. (Alternately, seeing certain vegetation will lead you to various species of butterflies). Kondla says butterflies are most common in high alpine meadows and in open, grassy burn areas.

And getting people outdoors and making them curious about the natural world around them is always good for their minds and bodies.

"It's better than a weekend in front of the television," says Kondla.

Digging up the past

The Ktunaxa/Kinbasket Ethnobotany Project

The fact that local native peoples held a vast and important body of knowledge about the land they live on has taken a very long time for European settlers to understand.

So the Ktunaxa/Kinbasket people have undertaken to save their ancestors' knowledge themselves, researching and compiling as much information about the Ktunaxa's past as possible.

The Living Landscapes project is helping them in their efforts through one of the more fascinating projects to research how their ancestors used the wide variety of plants that grow in the region, and how these shaped the people's culture.

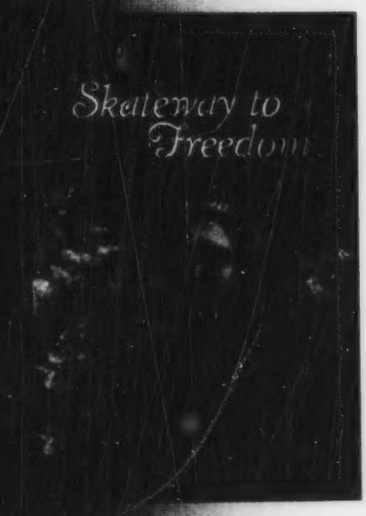
As part of the project, the Trust has funded two ethnobotanists to gather, store, and research more than 200 indigenous plants. Michael Keefer's university training in geography and environmental studies, and Peter McCoy's experiences as a student of the Band elders are combining to create a body of knowledge both accessible to the outside world, yet based on the fundamentals of the Ktunaxa's culture, language, and traditions.

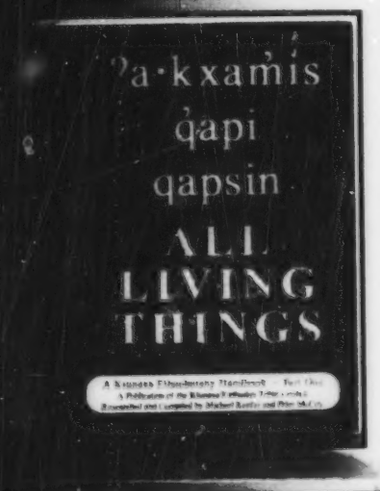
One of the most interesting aspects of the project is the way the Ktunaxa language – one of only a few linguistically distinct languages in the world – reveals the nature of the plants.

"For a lot of these plants, many of the elders only know the Ktunaxa name," says Keefer. "Their organizational system is much different than ours. Theirs is based on the land. For example, some berries will have the same name as some lillies, because they're not to be touched. Once you start to learn the roots of the words, it all starts to make sense."

The project has also proved a valuable bridge between two cultural groups which often remain apart, despite living only a short distance from each other.

"For me, this project has definitely been a period of awakening, culturally. To all of a sudden be the ethnic minority, for a white male in North America this is a very unusual experience. It's been a very rewarding and enriching experience."





Showcasing our literary resources

In isolation from each other, the books of the Columbia Basin provide individual perspectives on life in the region. But collected together, this literature becomes a larger and even more meaningful entity.

"It creates a sense of community," says Radium writer Peter Christensen, who has just finished compiling a list of more than 150 books published by writers in the Basin. "It's certainly given me a greater sense of identity here, in terms of what is a mountain culture."

His catalogue of these publications will form part of the Living Landscapes web site, a joint project between the Columbia Basin Trust and the Royal B.C. Museum. Each publication will be listed, with a short note on the contents and information on how to find it. The list will be indexed for searches by subject, author, title, or ISBN number. Future publications can be added, making the site interactive, and enabling the creation of a comprehensive literature database for the region. "What we have here is a beginning," Christensen says.

Awareness of ourselves as members of a distinctive Basin culture brings together the multitude of municipalities and rural areas of the region and strengthens community ties. But the book project also should bring more tangible benefits. Literature, whether in the form of fact, fiction, or history, is a commodity sought frequently by tourists, and by writers who come to tell the world about the Basin's attractions. These visitors, who represent an increasingly important economic generator for the region, want to find out about the Basin, and the list of books will provide a clearinghouse of information, Christensen says.

Some of that knowledge, in the form of histories, comes from as early as the late 1800s. Other books, like *ʔakxamis q̓api qapsin* (*All Living Things*), gather historical information and make it available now. The book, by Cranbrook-area ethnobotanist Michael Keefer and Ktunaxa culture expert Pete McCoy, contains full-colour photos of twenty-three plants used by the Ktunaxa and Kinbasket peoples, with descriptions of each plant, its habitat, and how the natives used it for food, technology, or medicine.

"It provides those who are not familiar with the Ktunaxa some familiarity, and it illustrates some of their historical ecology," Keefer says. "It should provide an appreciation to the reader of the complexities of living off the land."

"Christensen's work highlights a Basin resource not as easily perceived as those that confront us every day," says Nelson-area author Ann Alma. "We know how much we have in, say, tourism in Nelson, or lumber in Slocan, but we're not always aware of what we have in arts." Alma, who's published three children's novels and is finishing up a fourth, believes the book project could attract literary folk to the Basin. "There are people who come here and settle here because we have such a good writing community," she says.

Columbia Connections Curriculum ($14,000)
• Social studies students will create a dynamic program of studies to learn about the heritage of the Basin while applying geography skills.

Ghostriding: The Making of a Legend ($1,750)
• The writer will create a humorous, historical script that will set the record straight on the real identity of the man who discovered coal mining in the Elk Valley.

From Bulrushes to Bunchgrass: A Wetland & Grassland Stewardship Program ($12,500)
• To get information about the wetland and grassland areas in the Columbia Valley into the hands of the people who use the areas.

[illegible] Teacher Resource ([illegible])
• To gather resources and information about kokanee salmon that teachers have been using during the past decade to teach people about ecology, life cycles, and animal behaviour.

[illegible] and Distribution of [illegible] on Old Forest [illegible] ($7,650)
• To update the B.C. curriculum's grade [illegible] *Old Forest Ecosystem Study Unit*.

Kyowakai Society - Nikkei Internment Memorial Centre Study Guide ($8,875)
• To produce a study guide to assist educators in their annual school tours.

Herpetological Research ($2,720)
• To research the reptiles and amphibians that are now becoming threatened in the Columbia Basin.

East Kootenay Northern Leopard Frog Project ($9,880)
• To locate populations in Cranbrook, Invermere, and Golden.

The Dragonflies of the Columbia Basin: Field Surveys, Collections, Development, and Public Education ($8,400)
• To determine the present status and precise location of occurrences and habitat associations of the dragonflies in selected areas of the Basin.

Don't let the Sun Set On Your Face: A Research Project Into The Historical Roots of Racism in the East Kootenay – 1860-1910 ($15,000)
• To gather existing information about the East Kootenay's immigrant Chinese, Italian, and English populations and their relationship to the wider Canadian community.

The Columbia Basin: Endangered Spaces and Species ($7,250)
• To identify rare, threatened, and endangered species of the Columbia Basin.

BC Lake and River Steamer Days: The Story of the People Who Worked on the Columbia Basin Lake and River Systems ($5,000)
• To gather and make accessible the stories and other information about the people who provided the vital link through the region.

Archeological Investigations at the Salmon Beds, Columbia Wetlands ($9,650)
• To develop an understanding of human utilization of the Central Rocky Mountain ecosystem within the past 2,000 to 3,000 years.

Ecological Values of the East Kootenay Brochure ($5,000)
• To detail the rich ecological variety in the region in a 17x22-inch brochure.

West Kootenay ECE Diversity Group ($23,775)
• To explore ways to incorporate Doukhobor values and culture in early childhood and in teacher preparation.

An Inventory of the Underwater Heritage Sites in the West Kootenay ($8,400)
• The first survey of the archeology resource of the Kootenay region.

Osprey Survey ($1,000)
• To study and survey the population of osprey between Balfour and Trail.

Monitoring of Forest Birds by Migrant Counts in the Columbia ($7,900)
• To network migration stations across B.C. and Canada.

History of Agriculture in the East Kootenay ($7,150)
• To gather and preserve the history of the pioneers for future generations.

A Salmon of the Mountains: The Story of the Kokanee ($2,500)
• To write, take photos, and submit for publication a popular manuscript entitled *A Salmon of the Mountains: The story of the Kokanee*.

Collective Unravellings ($4,000)
• To document human and natural history along the north end of Kootenay Lake.

SPENDING PROGRAM: KAST

Investment and Spending Programs work together

Investment and Spending Programs work together

Depending on the stage of development, projects can receive funding from more than one program and across investment and spending programs.

An entrepreneur with a good idea for a new product could initially receive product development money from the Kootenay Association of Science and Technology (KAST) product development fund.

A Business Investment Example:

An entrepreneur with a good idea for a new product could initially receive product development money from the Kootenay Association of Science and Technology (KAST) product development fund. This is a spending program funded jointly by the Province and the Trust.

If the product was successfully developed to a marketable stage it could apply for funding under the CFDC small business pilot program which is funded through the Trust's investment program.

As the business continued to be successful and more capital was needed to continue its development, additional funding might be provided through the Credit Union Syndicated Loans program and/or the Trust's venture capital investment program.

A Spending Program Example:

A seniors' housing project could be funded through the Trust's Affordable Housing spending program. The community could also decide through its decision-making processes to provide additional support to the same seniors' housing project through the Basin Community Initiatives and Affected Areas program.

TRUST, GOVERNMENT TO OFFER NEW PRODUCT

Development funding

The Columbia Basin Trust and the provincial government have teamed up to start a $500,000 fund to help area businesses develop new products. The Trust and the government are each providing $250,000 for the Kootenay Product Development Fund. The Kootenay Association for Science and Technology (KAST), a non-profit society dedicated to enhancing technology, innovation, and entrepreneurship, will administer the fund.

(Right) KAST Chair Rob Zwick, President and CEO of HeatWave Drying Systems, with HeatWave Vice-President Gary Kooznetsoff

"The Kootenay Product Development Fund fills a funding gap that has been outstanding for some time for businesses developing new technology in the Basin," says Bruce Hardy of KAST, the fund's industrial technology advisor.

Companies which have fewer than fifty employees and which carry on the majority of their business in the Columbia Basin can apply for loans up to a maximum of $100,000. "The projects we prefer to fund are in the $50,000 range," says Margaret Birch, the program coordinator.

Funding will support the development of commercially viable products or processes.

Re-payment will take place over five years. Birch says. The payment schedule and level of interest charges have yet to be determined.

The financing agreement will also require companies receiving loans to come up with funds of their own, or to find financial aid from other sources. Birch adds. The amount of supplemental funding is also to be determined.

A six-member voting committee comprised of engineers, businesspeople, and a government representative will evaluate the loan applications and make recommendations to the KAST board, who will make the final decisions.

SPENDING PROGRAM: REGIONAL ECONOMIC DEVELOPMENT

Trust funds economic development

We who live in the Columbia Basin recognize the value of our many assets. Now, to strengthen the economic health of the region, others must see the value in the scenery, the fish and wildlife, the diverse communities, the recreational opportunities, and the goods produced here. To that end, the Trust has entered into partnerships with local economic development agencies, providing $230,000 to boost product marketing, hospitality and tourism, and general business development.

"This program will help improve distribution of locally produced goods to the marketplace, ensure that tourists are attracted to the region, and that, once here, they are encouraged to stay longer," says Rosemarie Johnson, chair of the Trust's spending program committee.

To find out exactly where to inject the funding, the Trust brought together a focus group of local economic development experts, who pointed to:

- marketing of heritage and cultural destinations, and circle tours
- support for marketing of locally produced items, particularly in the giftware and home and garden sectors
- practical market research
- opportunities for networking, education, and capacity-building among businesses working in these fields.

Tourism Rockies Association

Making the tourists go 'round is the goal of a $30,000 project underway by Tourism Rockies, using a grant in that amount from the Trust. The money will pay for developing a strategy for marketing circle tours in the Basin, and producing a circle tours map. "A map showing colour-coded mini-tours will encourage visitors to stay longer and visit more communities," says Chris Dadson, president of Tourism Rockies. A second, $40,000 project will fund the production and distribution of marketing materials for heritage and cultural attractions in the Basin. "Printed material, CD-ROMs, press kits, and internet initiatives will raise the profile of our attractions, both domestically and internationally," Dadson says.

Tourism Action Society in the Kootenays

The Tourism Action Society in the Kootenays (TASK), a non-profit tourism-promotion organization, has signed two agreements with the Trust to strengthen the region's hospitality and tourism sector.

The Trust will pay $50,000 for the Tourism Sector Development Project, and another $60,000 for local tourism strategies.

With the initial goals of increasing understanding of the sector's importance to the Basin economy, and generating public support for tourism, the Tourism Sector Development Project consists of a number of initiatives.

TASK has conducted focus groups on barriers, opportunities, priorities, and actions needed to develop tourism here. Four regional discussion papers are being prepared. They will cover the potential and limitations of tourism, national and international tourism markets, collaboration within the industry, and key issues such as training, transportation, financing, and regulations.

The agreement with the Trust also requires TASK to produce and distribute a "community toolkit," which will include reports on the focus groups, conference proceedings, and the four discussion papers.

The $60,000 local tourism project will provide funds for five community-based tourism-development initiatives:

- The City of Fernie will conduct public consultations on priorities for an Elk Valley trail system.
- The Kootenay Lake Chamber of Commerce will identify requirements for putting on a successful arts and music festival on the East Shore.
- Trail and District Chamber of Commerce will hire two actors to perform at 100 businesses, to promote tourism opportunities.
- The Rossland/Red Mountain Development Society will start a community process to establish and maintain an association representing local businesses involved in resort tourism.
- The Revelstoke Chamber of Commerce will initiate a network of small tourism operators between Revelstoke and Nelson.

The two TASK/Trust projects are intended to produce tightly focused results, says Eileen Fletcher, tourism development coordinator for TASK.

"The end goal is to target some really specific needs of the tourism industry so the tourism industry can become a better economic generator for the community – better jobs, better-quality jobs, more ways to diversify community economies, a much better awareness of the whole range of tourism business opportunities in the Kootenays."

Nakusp and Area Economic Development Board

Trust funding tightly focused on the Nakusp area will bring rewards for the whole Basin if all goes according to plan. The Trust has contributed $30,000 to a pilot project to help manufacturers of giftware and value-added home and garden products.

"Many communities in the region have been actively looking for ways to diversify the economy by adding value to forest-based economic activity," says Barry McDougall, forest economic development officer for the Board.

In addition to gathering market intelligence by developing ties with marketing agents in Western Canada and the Northwestern U.S., the project will involve partnerships with Community Futures, BC Specialty Wood Group, and the Kootenay School of the Arts to train manufacturers to become export-ready.

Experience gained from this project will be shared with goods producers across the Basin, to help increase sales volumes and returns.

Kootenay WoodVine

The buyers are out there. But where? Independent artisans working in the Basin will get an answer to that question from the Kootenay WoodVine.

This association of value-added wood product manufacturers in the Columbia Kootenay region will use a $20,000 grant from the Trust to identify marketing opportunities in Canada and the western U.S.

"We will be conducting market research to support the artisan sector, and will present our findings at workshops for value-added practitioners," says Joel Russ, executive director of the WoodVine.

ESTMENT ROGRAM: RESORT TRUCTURE

Golden Peaks Resort: Progress on $5 million investment from the Trust

Powder snow and a vertical drop of more than 4,000 feet (1,245 meters) makes the Golden Peaks Resort Whitetooth Ski Area one of the premier attractions of the Rocky Mountain region. The installation of a gondola will extend the early winter and late spring ski seasons, and encourage summer tourism.

resort, located fourteen kilometres from Golden on Canada Highway, has magnificent views of the Mountains over the forested bench lands west of the Columbia River.

The gondola is the most prominent feature of the resort. It will rise from the existing Whitetooth Ski Area base to an elevation of 8,000 feet to the summit of the Dogtooth Mountain. Ski trails and hiking trails will take off from the summit. Installation of the gondola and construction of the teahouse and base station are expected to begin in 1999 and should be ready for a grand opening in the second half of 2000.

The 250-acre resort, located fourteen kilometres from Golden off the Trans Canada Highway, has magnificent views of the Rocky Mountains over the forested bench lands west of the Columbia River. The fully developed four season destination resort will include two hotels operated by a major chain, boutiques, bed and breakfast facilities, condominiums, chalets and employee housing. Other activities at this destination will include golf, hang gliding and whitewater rafting.

"From the Trust's perspective one of the best things about this investment opportunity is the strong community support for the development. 93.9 per cent of voters approved the sale of the community-owned Whitetooth Ski Area to Golden Peaks Resort," says Greg Deck, Chair of the Trust's Investment Committee. "We have been in serious negotiations with the resort owners and are now working toward concluding agreements for a $5 million investment by the Trust. The investment will bring broad benefits to the region in terms of hospitality and tourism infrastructure and this resort will ultimately support 300 to 450 permanent jobs."

"This is a real community success story," says Norman MacDonald, Mayor of Golden. "It's important to remember that this ski hill was started by community volunteers. Then its potential was recognized by international investors, and now by the Trust. It's a remarkable testimony to the spirit of the community. Golden and the surrounding communities will see substantial economic benefit from the Golden Peaks Resort Development with construction valued at $150 to $200 million over seven to ten years."

ESTMENT ROGRAM: UE-ADDED FORESTRY

Money loaned supports cleaner air, mill expansion and job stability

Cleaner air and a more efficient and self-sufficient forest products company – those are the results of a $1.5 million loan to Evans Forest Products in Golden, by the Trust and the Columbia Power Corporation.

This investment paid for a precipitator, a device that electromagnetically removes particulate matter from the smokestack on the company's power-generating wood waste burner. Installation began in October, and finished in April, 1999. The work allows Evans to run the burner at a higher pressure, increasing energy output while decreasing emissions.

"Without the precipitator, if we tried to run the boiler at its full capacity we'd be emitting too much particulate," says Len Pettman, President of Evans.

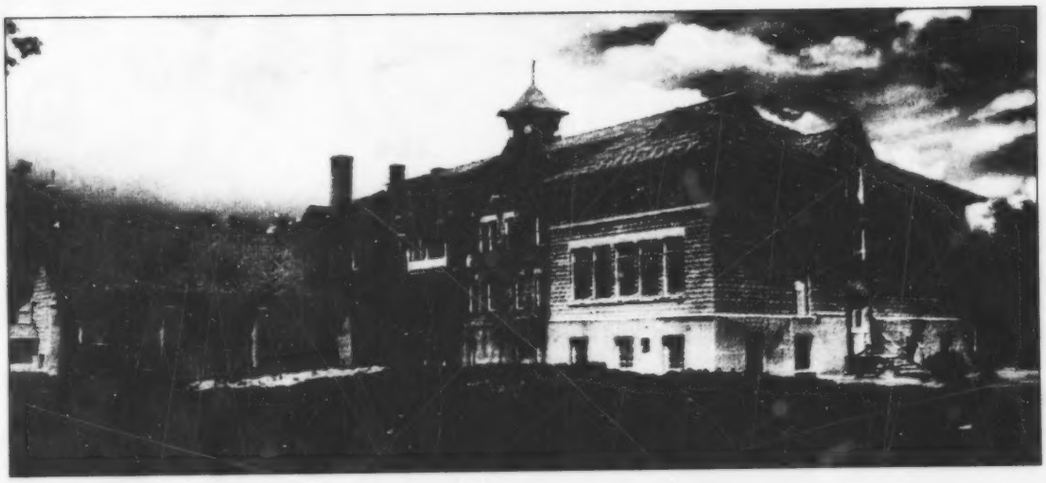
The loan from the Trust and CPC has benefitted the community as well as the company, he says.

"It's allowed us to buy a precipitator in order to reduce the particulate discharge into the atmosphere, which in Golden is particularly important with the air quality issue, and also to improve the efficiency of the combustion of the boiler and generate additional power."

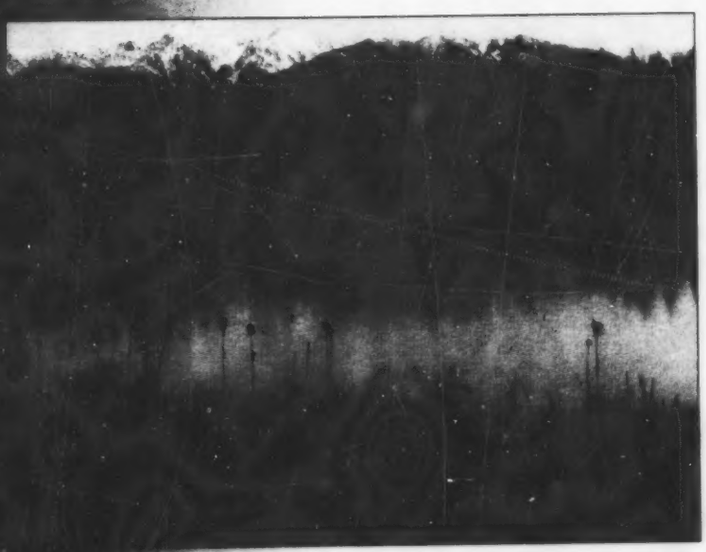
Power from the boiler is used to run the plywood plant, with surplus power sold to BC Hydro.

"This project brings immediate benefits to the people of Golden," says Columbia River-Revelstoke MLA Jim Doyle. "It helps enhance the long-term viability of Evans, while improving air quality and providing electricity supply benefits to the community."

STMENT
OGRAM:
RESORT
TRUCTURE



St. Eugene's Mission Hotel and Golf Resort



...#14 green and one of the 750 sprinkler heads that must be lowered. ...left, construction equipment building main lake last summer. ...view of #13 before planting. Right, view of #13 after planting.

The Ktunaxa Tribal Council has a vision that the historic St. Eugene Mission which once dominated their community will be turned into a destination resort, providing rest and relaxation for the community and tourists, and a source of well-being for the Ktunaxa Nation.

The site, eight kilometres north of Cranbrook, is framed by views of the Rocky Mountains, forested foothills, and agricultural fields. The proposed destination resort development includes a hotel, recreation complex, convention facilities, an 18-hole championship golf course, and a casino.

Over the past year Trust staff have worked with the Tribal Council and other investors to bring together the hotel and golf resort components of this project including an investment of up to $5 million from the Trust. However the withdrawal of one of the key investors has necessitated a restructuring and re-evaluation of this investment opportunity.

Recognizing the tourism potential of the region, the Trust is still interested in investing in the hotel and golf course components of this project and is providing expertise to support restructuring of the investment. With Trust support, the Tribal Council has made an early start on the development of the golf course.

The Tribal Council has separate investments in the casino associated with the destination resort. The Trust will not be involved in this component of the project.

STMENT
OGRAM:
SMALL
USINESS

Businesses get a boost

More than a million dollars have been injected into the Columbia Basin's economic engine. In a pilot project, the Columbia Basin Trust in 1997 signed an agreement with the five Community Futures Development Corporations (CFDCs) operating in the Basin to provide $2.5 million for loans to viable businesses. So far in this program, the CFDCs in Nelson, Cranbrook, Trail, Prince George, and Revelstoke have provided about $1.25 million in loans.

That first chunk of funding has been capped at $1.25 million, to allow the Trust and the CFDCs to sign another agreement for an additional $2.5 million. "In essence we've got $3.5 million now," says Paul Wiest, general manager of the CFDC for Central Kootenay, based in Nelson.

The $1.25 million went to ten businesses, creating or maintaining 158 jobs, Wiest says. The Trust funding let the CFDCs add another $600,000 to loan recipients' financing. The $1.25 million combined with all financing for these businesses has brought nearly $13 million in business development, he says.

Adds Trust Chair Josh Smienk, "The success of this program indicates that it is meeting a need for access to capital in the region."

Extra capital from the Trust also gave the CFDCs the economic strength to loan out larger amounts, raising their limit to $250,000 from $75,000. "It gives us greater capacity to lend in the region," Wiest says.

Loan guarantees of $125,000 from Forest Renewal BC and $250,000 from the federal Western Economic Diversification agency have provided security for this higher-risk lending, he says.

s from the Trust also gave the CFDCs the economic to loan out larger amounts, raising their limit to 250,000 from $75,000. "It gives us greater capacity to lend in the region."

Paul Wiest, Community Futures, Nelson office

$10 million partnership with Credit Unions

The Trust is increasing the ability of credit unions to support commercial enterprise in the region through the development of a loan syndication program. Initially the Trust will be committing $10 million to this program.

Through loan syndication, the credit unions will share commercial loan opportunities, and associated risks and returns with the Trust.

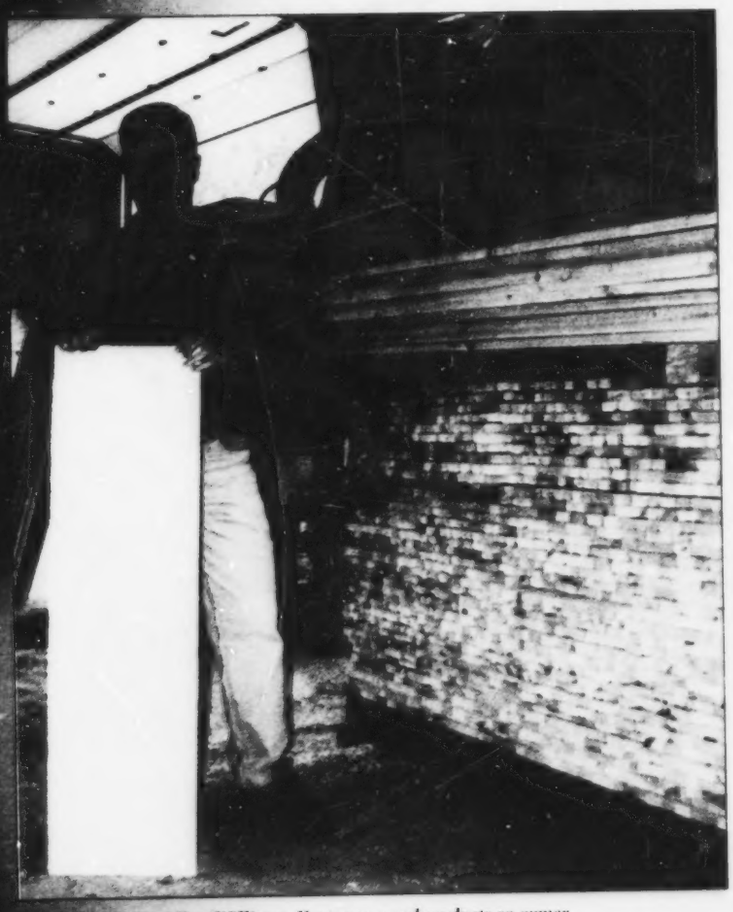
"Some viable commercial enterprises are seeking more funding than a single credit union can comfortably provide. By working together we can provide these businesses with capital they need, and strengthen local economies," says Jay Strong, General Manager, Revelstoke Credit Union.

"Loan syndication enables us to support credit unions in smaller communities and can also bring in additional capital from outside the region," says Greg Deck, Chair of the Trust's Investment Committee. "The program also promotes regional decision-making in the area of commercial lending."

The Trust and the credit unions will earn market rates of return on these investments. Total funding allocated from the Trust for this program is $10 million. The Trust's maximum participation in any one syndicated loan is $2.25 million or a maximum of fifty per cent of the total amount loaned.

The Trust has chosen to work with partners like the credit unions who have the local knowledge and infrastructure to help make Trust capital available to businesses throughout the Basin. According to Deck, "Response from the credit unions has been very favourable and a number of syndications are already being discussed."

Kootenay Panel Products



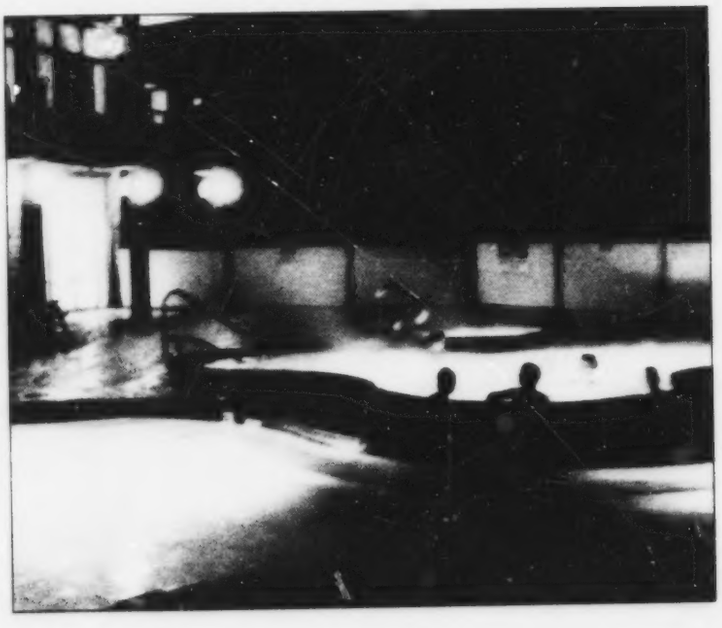
Dan Williams, Kootenay panel products co-owner.

One more machine was needed to get the Rossland value-added wood product plant open. Kootenay Panel Products, which makes panels for such items as table tops, desk tops, dresser tops, and chair seats, received a $70,000 loan through the Trust/Community Futures loan program partnership. The financing allowed the company to buy a sander for the last phase of their manufacturing process.

With the final piece of machinery in place, the plant opened this spring.

"Raising capital's hard," says company partner Jack Bryden. He applauds the loan initiative. "It's a good thing. It makes capital available for small businesses," he says.

Raising money to start a small business can be even more difficult than expanding an existing one. Financiers like to see a history of good business practices. "On a new project, you don't have any track record," he says. He appreciates Community Futures for its flexibility, and the willingness of its money managers to take a chance on a small company with big potential.



Halcyon Hot Springs

The high quality of the water from the hot springs at Halcyon has drawn visitors to the area since the 1890s when tourists arrived by steamboat. Today a new investment group is developing the thirty-four acre Halcyon Hot Springs site, located thirty-three kilometres north of Nakusp. They have developed the pools and phase one accommodation to serve a wide range of guests.

This new development received part of its start-up funding through the Trust's pilot program with the Community Futures Development Corporation. Since then the Trust has been working closely with the owners to carefully analyze the current status and future business potential of this development. Trust staff have taken an integrated approach to working with outside investors to determine how this potential investment might fit in the Trust's venture capital and credit union syndicated loans programs.

INVESTMENT PROGRAM: NEW TECHNOLOGIES AND OLD TREASURES

Investment in HeatWave

...ment in High-Tech ...turing Supports ... Diversification ... the Region

The Trust's $3.5 Million investment in HeatWave Drying System's innovative kiln technology recognizes the early success of this entrepreneurial business and supports the next stage of growth for the company.

Dr. Carl Wilson, an independent wood specialist who reviewed the HeatWave kiln technology for the Trust declared the development of this new technology a remarkable entrepreneurial achievement. "This kiln drying system will increase the value of high-quality wood products, and will allow the use of many under-utilized species," says Wilson.

The response from large and small forestry companies is very encouraging.

The HeatWave 30.150 RFV kiln dries many types of wood products up to twenty times faster than conventional means, and can handle species that are often very difficult or near-impossible to dry by conventional kilns.

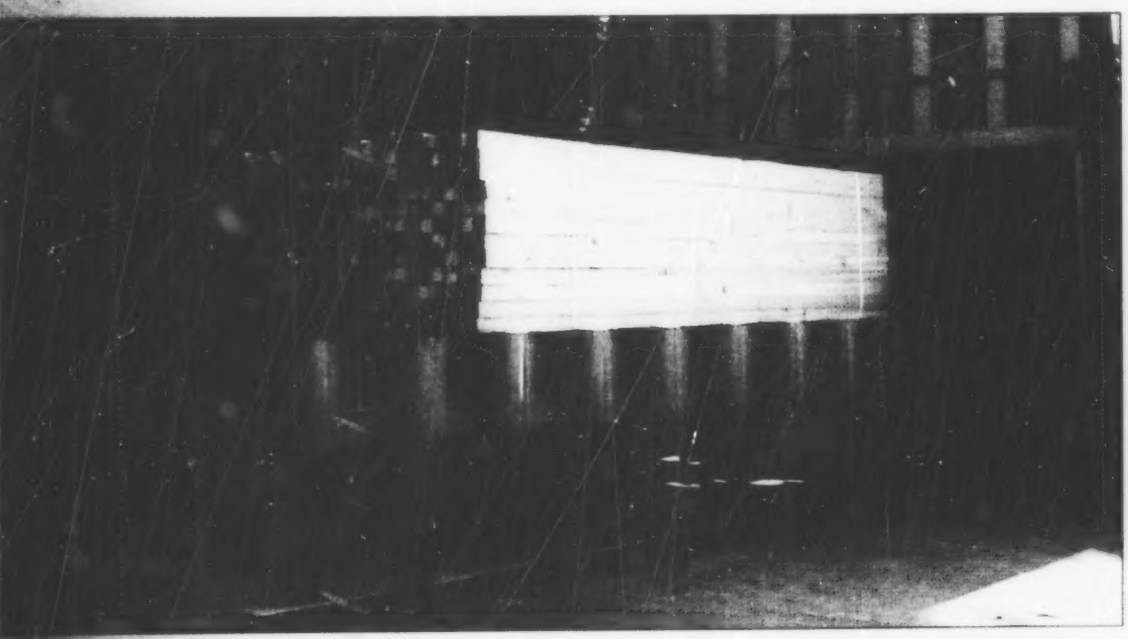
The RFV technology uses radio waves to penetrate wood products in a vacuum environment that ensures the highest quality and fastest drying rates.

"This capital investment by the Trust will allow HeatWave to follow through to its next level of business growth and development and firmly establish HeatWave as the world leader in RFV wood drying technology, " says Robert Zwick, President and CEO of HeatWave. "We look forward to bringing stability and economic growth to the Columbia-Kootenay region and further developing the high-technology sector in the area. "

This investment will support an estimated forty-seven jobs in engineering, heavy manufacturing and service sectors in its first year of commercial production.

The company has potential to grow rapidly and create significant new jobs and activity throughout the region after product commercialization.

HeatWave is an example of a business which has received funding from the Trust through more than one investment program source. Initially, investment monies were provided by the CFDC Pilot Program. This new investment is from the Trust's venture capital sources. During the product development phase they also participated in the Kootenay Association of Science and Technology (KAST) program.



Brilliant School project under review

Heritage protection, construction of a home for Columbia Power Corporation staff working on the powerplant project at Keenleyside, and a real estate investment for the Trust were all original motivating factors in the Trust's purchase of the Brilliant School.

Initially the Trust planned a $1.5 million project which included restoration of the existing heritage structure combined with the development of new office facilities around this focal point. "We knew the heritage value of the building to the community and provided an undertaking to protect those values," said Josh Smienk, Chair of the Trust. Members of the community recognized that if the building was not restored and put to better use it would soon be lost.

However, two factors are now contributing to a delay in this project. First, a tender call resulted in bids substantially higher than expected. Second, the Trust recognizes that while there is community support for heritage restoration of the building, the exact nature of the redevelopment will require further analysis by the Trust.

The Trust continues to have strong interest in this project and its original vision. Staff are now reviewing all of the factors affecting the project to determine the best way to proceed.

SPENDING PROGRAM: ALUE-ADDED OOD FORUM SECONDARY SCHOOL STUDENT WOOD CHALLENGE

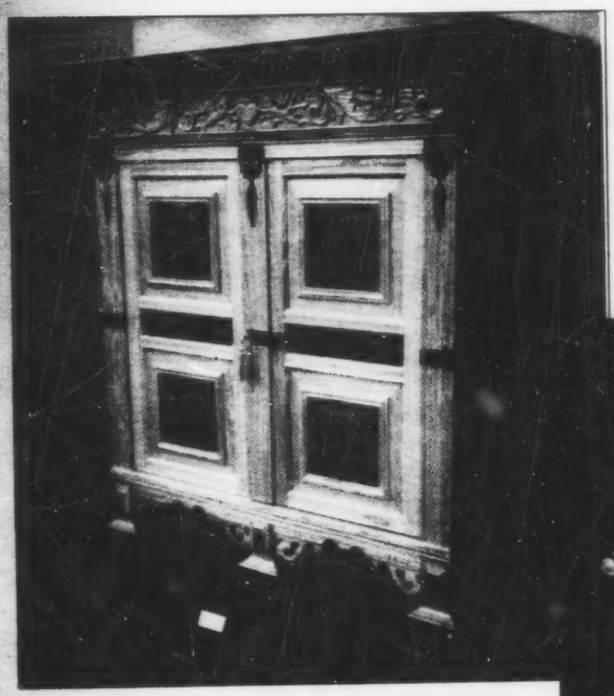
Squeezing value out of the forest

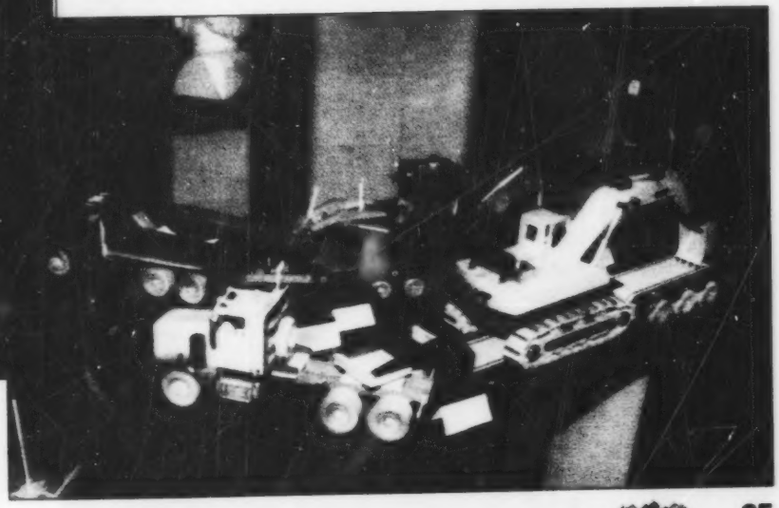
The skills and creativity of this region's woodworkers were on display at the fourth Kootenay Value-Added Wood Forum in Nelson late last year.

About 3,000 members of the public came to see a huge variety of products made by professional woodworkers and area students. Seventy-eight professionals, twenty-seven post-secondary students, and about ninety junior high and high school students showed their work.

The annual event has a strong educational component. Representatives from all sectors of the forestry and wood manufacturing industries joined government officials and other interested parties for more than fifteen workshops and seminars, covering everything from fibre supply to design to marketing.

The Columbia Basin Trust contributed $25,000 so the forum could bring in representatives from the up-and-coming generation. "It was the youth who attended the Trust's 1997 Symposium who emphasized the need for educational opportunity and self-sufficiency as a key part of the Columbia Basin management plan," says Trust chair Josh Smienk. "This funding from the Trust for the Secondary School Wood Challenge competitions means young people all around the Basin have the opportunity to put forward their ideas for the development of new wood products, improve their business planning and entrepreneurial skills, and promote self-sufficiency for themselves and the region."





SPENDING PROGRAM: COLUMBIA KOOTENAY CULTURAL ALLIANCE

An Explosion of creativity

Grants to Basin artists and performers have resulted in an outpouring of artistic expression. The Columbia Kootenay Cultural Alliance, an association of arts sector representatives, has signed a three-year agreement with the Trust which includes $165,000 from the Trust to support artists and arts groups for 1998/99. The money will be used for initiatives including creation of a Basin-wide touring arts show, an arts conference, and a web site, as well as for a multitude of smaller projects.

Shadows of the Yggdrasil Tree played the Capitol Theatre in Nelson

Our Mountains, Our Lives

The 1,144 residents of Valemount, a community north of the Mica Dam, are now witnessing an explosion of creativity from their local artists, thanks to a $1,000 grant and the efforts of professional sign painter Pamela Cinnamon. Cinnamon organized the "Our Mountains, Our Lives" visual arts project, in which she supplied more than fifty people with white-painted plywood signboard. Valemount and area artists then turned the boards into original art with local themes, including views of Mt. Robson, wildlife, cross-country skiing, and the Chinook salmon run.

"The main goal is just to produce more art and have it on display locally," Cinnamon says. "I was really concerned that we increase our sense of ourselves as a secondary goal."

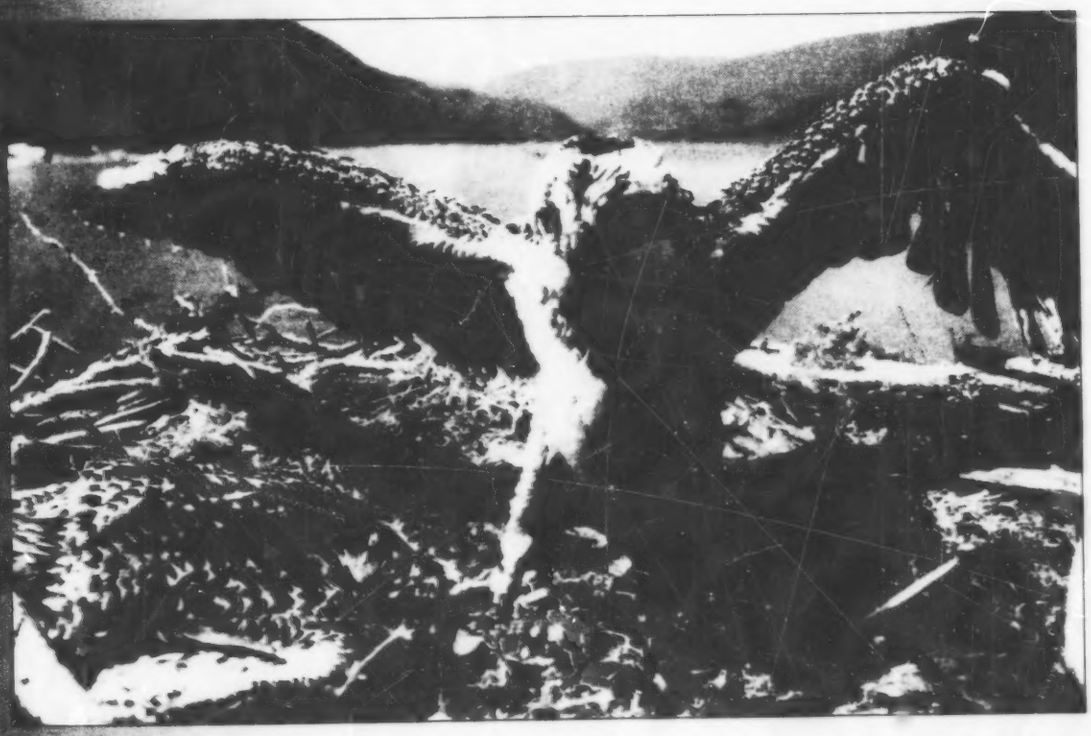
The works, mounted on easels in the community hall, are on display for Vale Mountain Days this month. They'll be part of the B.C. Festival of the Arts display when the Arts Around tour hits Valemount, then they'll be sold at auction to raise money for the newly formed Valemount Arts and Cultural Society.

Selkirk Weavers and Spinners

This year marks the 25th anniversary of the Selkirk Spinners and Weavers guild, and members are celebrating with a special exhibition this summer in Castlegar's Artwalk. "Silver Threads" refers to the quarter century that the group has been meeting, most recently at their workspace in the Doukhobor Village Museum near Castlegar.

Silver threads will be woven into some of the textiles on display, through unique works in wool, silk, linen, or cotton in shawls, wall hangings, and curtains wrought in a variety of techniques and styles. A grant of $1,500 from the Columbia Kootenay Cultural Alliance will be

ENDING PROGRAM:
COLUMBIA KOOTENAY CULTURAL ALLIANCE



To receive a complete list of the 82 arts projects call 1-800-505-8998 for a brochure.

divided among exhibiting weavers as artist fees, and will offset expenses in the documentation of the creative process, which will be displayed in a scrapbook on site. Also included will be news stories, photographs, and awards that form a chronicle of the group's activities.

Members come from a wide geographical area that includes Crawford Bay, Cranbrook, Castlegar, Trail, Fruitvale, Robson, and the Slocan Valley. What ties them together is a love for a craft that spans generations and cultures, something that really hit home for member Sandra Donohue during the recent Doukhobor community's 100th year celebration.

"People came to our gift shop at the Doukhobor Village and told us that [people in the Doukhobor culture] really aren't doing it anymore," says Donohue. "Weaving is a link to our cultural heritage, be it Doukhobor or any other culture."

Richard Rowberry performs in his one-actor play, called The Great Cranbrook Elephant Stampede

Revelstoke Women's Writing Group

They meet the fourth Tuesday of each month. It began three years ago with an open invitation to women who love to write to get together for readings, critiques, and literary sharing. Today, it is an enthusiastic group of Revelstoke women who have watched their own writing evolve with the experience.

This spring, to mark Revelstoke's 100th anniversary, the group published *Fourth Tuesday: Stories and Poems*. The book was published with help from a $1,000 grant from the Columbia Kootenay Cultural Alliance. The 210-page self-published compilation includes eighty-seven contributions from teens to seniors, all of them women who love to write, according to spokesperson Tuulikki Tennant.

"It's about increasing the voice of women, about things that matter to women," she says.

Subjects include spirit, motherhood and grandmotherhood, hopes and dreams, humour, society, earth and nature, death, history, and nostalgia, addressed through short stories, essays, and poetry. The book incorporates cover art designed by a Revelstoke woman, and women's input was invited every step of the way. The process of creating the book was, according to Tennant, rather like a collective childbirth.

Now, with a thousand copies in area bookstores, the group is making plans for the proceeds. Soon, women who love to write in Revelstoke will have the opportunity to attend a specially-planned writers' workshop, to further skills and glean new inspiration.

Waiting for the Birds

It all began when a group of New Denver area artsfolk met to discuss possibilities for a community arts event, to be hosted by the Slocan Lake Gallery Society. When the three found themselves passionately comparing notes about the birds they'd seen that day, they realized they'd happened upon a topic that would appeal to everybody. As migrating birds herald the return of spring, Waiting for the Birds took flight in April.

A grant of $1,000 from the Columbia Kootenay Cultural Alliance paid for artists' fees and expenses related to the mounting of an adjudicated visual arts exhibition at the Silverton Gallery. The first exhibition showcased bird-oriented artworks in a variety of media. The second was a show of student art on the same theme. Opening night began with a specially choreographed dance piece, and complementary events included a naturalist's slide show, a bird-watching excursion, and classical music evenings that featured bird-related pieces. A series of workshops for children and adults focused on wing-making, Ukrainian egg painting, sketching, and bird *origami* taught by Japanese elders in the community. The two chartered busloads that made their way to the Creston Wildlife Centre in May carried community members from young children to octogenarians.

During the project, spokesperson Caroline Woodward saw people who would rarely come at all, attend gallery events. This element, she says, was important.

"It was such a populist subject. Birds, when they return, are like little miracles. People get a rush, a sense of awe from that. It felt like a real community-builder."

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

	Fiscal Years Ended March 31 1999	1998
OPERATING RESULTS		
Total revenues	5,746,943	4,567,789
Net investment income	3,746,943	2,567,789
Total power project revenue	10,333,216	10,268,882
Net power project investment income	975,998	720,007
Return on investment deposits and securities	5.35 %	3.83 %
Return on power project equity	4.67 %	3.50 %
FINANCIAL POSITION		
Total assets	219,688,046	189,241,801
Long term debt	104,236,919	90,232,324
Endowment capital	112,455,442	95,503,956
SELECTED DATA		
Investment in deferred power project costs	3,341,742	8,111,533
Reals estate projects under development	857,915	-
Spending program project disbursements	1,432,825	25,500
Spending program project committments	477,125	685,000
Operations and program development costs	1,672,856	1,587,013

plete Audited ncial Statements Available.
ies call the Trust 1-800-505-8998.

Focus on the Future
Inter-agency Liaison

INTERNATIONAL LIAISON

World Commission on Dams (based in Cape Town, South Africa)

The Trust is participating in the Commission's review of the "development effectiveness" of large dams in the world. The Grand Coulee Dam is the subject of a project case study, and British Columbia has been identified as a Canadian stakeholder. The Trust will work with other agencies to ensure that the effects of construction of the Grand Coulee dam in Canada are recognized in the case study.

The Trust is also participating in the development of a US Multi-species Framework to bring clarity to fish and wildlife decision-making which could serve as a model for similar work in Canada.

In December of 1998, Josh Smienk, Chair of the Trust, and Lorne Sivertson, President of the Columbia Power Corporation were invited to speak to members of the World Bank on the positive and negative effects of dam construction, and how the World Bank can use our experience on the Columbia to ensure the negative effects are not repeated. The focus was on major hydroelectric developments being considered for India and Nepal to provide flood protection and electricity generation.

The Trust continues its liaison with the Northwest Power Planning Council (NPPC) a U.S. agency responsible for power planning and fish and wildlife mitigation in the U.S. A tour of the Libby Reservoir, Columbia Headwaters and Kinbasket Reservoir was held in the spring of 1999. A follow-up tour of the Columbia River in the U.S. will held in August 1999. It is important that our U.S. counterparts understand how decisions made under the Columbia River Treaty by U.S. entities impact Canada. These tours increase international understanding of the full range of issues associated with dam construction and operation of reservoirs on the Columbia and help to prepare for a possible review of the Columbia River Treaty in 2024.

Our liaison with the NPPC has resulted in Canadian participation in a transboundary dissolved gas working group to look at the whole of the Columbia River system to find ways to reduce dissolved gas levels which are harmful to fish populations and cumulative throughout the system.

The Trust is also participating in the development of a U.S. Multi-species Framework to bring clarity to fish and wildlife decision-making which could serve as a model for similar work in Canada. The goal of the framework project is to build a scientifically based foundation for a unified approach to making fish and wildlife recovery decisions.

BASIN TO BASIN LIAISON

The Columbia Basin Trust has met with the Fraser Basin Council to share information and experience. Our goal is to ensure the sustainability of major river basins which are managed by numerous government and non-government interests to create a diverse range of benefits from the same water resource, and better understand how we can build and share the principles of regional decision-making on resources in our respective basins.

COLUMBIA BASIN TRUST

Box 220, Nakusp, B.C. V0G 1R0

Phone: 1-250-265-4822

Phone Toll Free: 1-800-505-8998

Fax: 1-250-265-2246

E-mail: cbt@cbt.org

Web Site: www.cbt.org

AFFECTED AREAS INITIATIVE

(Annual Payments for 10 years, areas shown on map. Allocations based on population and other factors.)

GOLDEN	**$58,409**
Area A (CS)	**$29,440**
REVELSTOKE	**$118,452**
Area B (CS)	**$29,440**
Area B (EK)	**$53,434**
Area C (EK)	**$29,440**
NAKUSP	**$51,108**
Area K (CK)	**$58,792**
Area J (CK)	**$29,440**
Area D (CK)	**$29,440**
VALEMOUNT	**$38,360**
Area H (FFG)	**$29,440**
TOTAL PER YEAR	**$555,195**

OVER 10 YEARS $5,551,950

ALL PROJECTS (Numbered as on map. "M" means Million))

1 CFDC Small Business Loans Program (5 offices) ..... $3.5 M

2 Credit Union Deposits ..... $28.3 M

3 Canoe Reach Alpine Inventory $9,600

4 Kinbasket Reservoir Kokanee Spawning Survey $14,500

5 Kinsbasket Reservoir Bull Trout Radio Telemetry $55,700

6 Fissure Creek Diversion Project $9,000

7 Birch Creek Plunge Pool $5,000

8 Arrow Reservoir Trout Stock $7,000

9 Habitat Requirements of Rubber Boas $2,500

10 Wildlife Tree Creation and Enhancement $4,890

11 Bat Hibernaculum $4,800

12 Arrow Reservoir Trout Radio Telemetry $28,000

13 Columbia Basin Endangered Species and Spaces $7,250

14 Monitoring of Forest Birds $7,900

15 Evans Forest Products Power Plant Upgrade Project ..... $1.5 M

16 Golden Peaks Resort (proposed) ..... up to $5M

17 Interact Wood Products (proposed) ..... up to $2 M

18 Golden Festival of Birds and Bears $8,750

19 Columbia Connections Curriculum $14,000

20 Dragonflies as Indicators of Healthy Wetlands Eco-systems $8,400

21 Conservation Lands $350,000

22 Status of Columbia Basin Chiselmouths $18,600

23 East Kootenay Ground Squirrel Survey $10,000

24 Wings Over The Rockies '98 ..... $6,250

25 From Bulrushes to Bunchgrass $12,500

26 East Kootenay Northern Leopard Frog $9880

27 Archeological Investigations of the Salmon Beds $9,650

28 Elk River Cutthroat Trout Telemetry $22,500

29 Kootenay Bull Trout Telemetry $17,000

30 Koocanusa Kokanee Survey $9,000

31 McDonald Marsh Wetland Wildlife Habitat Enhancement $24,900

32 Sheep Mountain Burn $14,500

33 Deer Lake Ungulate Winter Range Enhancement $7,700

34 Ghostriding – The Making of a Legend $1,750

35 HeatWave Systems ..... $3.5 M

36 Kokanee Teacher Resource $20,000

37 Ecological Values of the East Kootenay $5,000

38 St. Eugene's Mission Hotel and Golf Course (proposed, agreements near completion) ..... up to $5 M

39 East Kootenay Lynx $25,000

40 Bighorn Pasture Ungulate Winter Range Enhancement $28,000

41 Tobacco Plains Wildlife Habitat Restoration $36,500

42 Research into the Historical Roots of Racism in the East Kootenays $15,000

43 Ktunaxa Kinbasket Ethnobotany Project $10,000

44 Creston Valley Wildlife Centre Support $12,500

45 Habitat Use of Northern Alligator Lizards and Western Skinks $4,800

46 Mountain Lion Ecology and Predation $37,200

47 Herpetological Research – Endangered Species $2,720

48 Kootenay Lake Fertilization Angling Survey $9,000

49 Kootenay Lake Arrow Reservoir Conference $10,000

50 Curriculum Old Forest Ecosystems $7,650

51 Osprey Survey $1,000

52 Value Added Wood Forum Student Competition $25,000

53 Ceanothus Planting $950

54 Slocan Senior's Housing Project $50,000

55 An Inventory of Underwater Heritage Sites in the West Kootenays $8,400

56 Nikkei Internment Memorial Centre Study Guide $8,875

57 BC Lake and Steamer Days $5,000

58 Brilliant Dam Investment ..... $21 M (of a $42 Million equity investment)

59 Brilliant Dam Rehabilitation ..... $2.1 M

60 Keenleyside Dam Turbine Installation ..... $250 M

61 Broadwater Road Realignment ..... $2.25 M

62 Brilliant School Restoration Project ..... up to $1 M

63 Deer Creek Remediation Plan $7,000

64 Blueberry Creek Remediation $6,000

65 Trans-boundary Forum on Ecosystem-based Management for the Upper Columbia River $12,500

66 Incorporating Doukhobor Values in Early Childhood Education $23,775

67 Pend Oreille Educational Study $1,250

68 Halcyon Hot Springs (proposed) ..... up to $2 M

69 Taite Creek Remediation (Fauquier) $6,000

70 Operation Bluebird $4,950

71 Little Slocan Landslide Rehabilitation $48,513

THE TRUST AT WORK IN THE COMMUNITY

AFFECTED AREAS INITIATIVE

(Annual Payments for a 10-year Total of $5.5 Million, see chart on back)

Allocation per year to areas affected by Treaty dams (within 10 km of reservoirs) $555,195

INVESTMENT PROGRAM

SPENDING PROGRAM
See list on back

LEGEND

- Highways
- Treaty Dams
- Other Dams
- Brilliant Dam (a Trust/Province joint venture project)

COLUMBIA BASIN TRUST

Programs Which Benefit the Entire Columbia Basin:

BASIN COMMUNITIES INITIATIVES (Annual Payments for a 10-year Total of $7.4 Million)

Columbia Shuswap Reg. Dist.	$73,645
East Kootenay Reg. Dist.	$259,847
Central Kootenay Reg. Dist.	$267,836
Fraser Ft. George Reg. Dist.	$23,050
Kootenay Boundary Reg. Dist.	$94,542
Ktunaxa-Kinbasket Tribal Council	$23,050
TOTAL PER YEAR	$741,970

DISPUTE RESOLUTION
Unresolved Compensation Claims $50,000

ARTS COUNCIL
Columbia Kootenay Cultural Alliance $165,250

K.A.S.T.
New Product Development Fund $250,000

AFFORDABLE HOUSING
Pilot Project $285,000

YOUTH PROGRAM $100,000

COMMUNITY ECONOMIC DEVELOPMENT $230,000

CREDIT UNION SYNDICATED LOANS ..... $10 M